TEMPLE TERRACE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025

TEMPLE TERRACE

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TEMPLE TERRACE

City of Temple Terrace, Florida

Annual Comprehensive Financial Report
for the Fiscal Year Ended
September 30, 2025

Prepared by:
Finance Department
James Ingram, Finance Director
Jennifer Newman, Assistant Finance Director
Jamie Deve, Finance Operations Manager

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June 26, 2026

TRANSMITTAL LETTER

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

It is our pleasure to submit this Annual Comprehensive Financial Report (ACFR) for the City of Temple Terrace, Florida, for the fiscal year ended September 30, 2025. This report fulfills the requirements set forth in the City's Charter, Section 214; Florida State Statutes, Chapter 166.241 (4); and the Rules of the Auditor General, Chapter 10.550 which require that all local governments publish a complete set of audited financial statements each fiscal year in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Temple Terrace. 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 Temple Terrace has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Temple Terrace's financial statements in conformity with Generally Acceptable Accounting Principles (GAAP). Since the cost of the internal controls should not exceed their benefits, the City of Temple Terrace's 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, this financial report is complete and reliable in all material respects.

Florida Statutes, Chapter 11.45 and Chapter 10.550, require that an annual financial audit is performed by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Temple Terrace 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 that there was a reasonable basis for rendering an unmodified opinion that the City of Temple Terrace's 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.

Management's Discussion and Analysis (MD&A)

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Temple Terrace

The City of Temple Terrace, named after the hybrid "Temple" oranges and the surrounding "terraced" terrain, was incorporated on May 28, 1925, and operates under the Council-Manager form of government. The elected governing body is comprised of the Mayor and four City Council members and is responsible for enacting ordinances, resolutions, and regulations governing the City and for appointing the City Manager, City Clerk, City Attorney, and members of various statutory and advisory boards. As chief administrative officer, the City Manager is responsible for managing the City's day-to-day operations and affairs and appointing the City's Department Directors.

Temple Terrace was developed as a high-quality residential community in the Tampa Bay area. The unique neighborhoods, with a golf course and the meandering Hillsborough River, combined with the City's proximity to downtown Tampa, Interstate 75, the University of South Florida, Florida College and numerous renowned employment centers, continue to make the City attractive to a broad spectrum of the region's population.

The City, with an estimated population of 27,742, provides a full range of general municipal services including police, fire, street construction and maintenance, planning and zoning, parks and recreation, library, and general administrative services. In addition, water, sewer, and solid waste collection services are provided and funded with user charges established by the City Council to ensure adequate coverage of operating expenses and payments on debt. Equipment maintenance, warehouse services, and facility maintenance are provided through Internal Service Funds with chargebacks to user departments to cover the cost of operation. The City of Temple Terrace contracts with the City of Tampa to receive and treat wastewater, and contracts with Hillsborough County to receive and dispose of solid waste.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the basis for developing the proposed budget. The City Manager presents the proposed budget to City Council for review no less than forty-five (45) days before the expiration of each fiscal year as established by Charter Section 6.02. The City Council is required to hold two (2) public hearings on the proposed budget and adopt a final budget no later than September 30, the end of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Budgets for all governmental fund types are adopted consistent with generally accepted accounting principles. Budget-to-actual comparisons are provided for each governmental fund with the exception of the Insurance Premium Tax fund, which is not budgeted.

Economic Condition

The information presented in the financial statements is best understood when it is considered with the Management's Discussion and Analysis as well as from the broader perspective of the environment within which the City of Temple Terrace operates.

Local Economy

The City of Temple Terrace, located in Hillsborough County, is part of a vibrant Tampa Bay area with an economy structured within four main industry sectors: (1) trade, transportation, and utilities; (2) business and professional services; (3) education and health services and (4) leisure and hospitality.

Hillsborough County's top private sector employers are Tampa General Hospital, Publix Supermarkets, and Baycare Health Systems. The top public sector employers are Hillsborough County School District, MacDill Air Force Base, Hillsborough County Government and the University of South Florida; whose campus abuts Temple Terrace. Temple Terrace's largest private employer is the Amazon fulfillment facility which is estimated to employ over 3,000.

Presently, the City has an aggregate inventory of over 800 acres of developed commercial properties. Many of these retail venues serve the increasing convenience and general merchandise shopping demands of residents from Temple Terrace, Tampa, and unincorporated Hillsborough County. Temple Terrace's larger retail shopping opportunities are located outside the city limits and are largely concentrated in three geographical nodes: New Tampa, Brandon, and the Wesley Chapel area.

Temple Terrace is home to Telecom Park, a "Class A" office district that houses Verizon's Southeast Regional Communications, the Moffitt Cancer Business Center, the Florida Department of Environmental Protection, Chapters Health System Home Office, Marriott Hotels, and Circle K's regional offices.

Long-Term Planning Goals

The City is striving to achieve high performing organization status. Toward that end, an internal Leadership and Management training program was implemented in FY 2025 that has provides participants with in-depth exposure to multiple City departments, the budgeting process and a designated mentor. The City is also developing an "Office of Innovation" to keep up with best practices in terms of technology, process improvement, and policy development.

Capital Improvement Plan

The City has a Five-Year Capital Improvement Plan that provides a framework for the execution of utility improvements, equipment replacement, and projects related to growth. The plan details revenue projections and capital needs assumptions. Community Investment Tax revenue is used to fund much of this plan, particularly in terms of public safety and parks and recreation capital improvements.

Water/Wastewater

The Water/Wastewater Division's long-term vision is to provide uninterrupted, high-quality water and wastewater service to a growing area. Annually, the Division coordinates utility relocations with the Engineering Division for street rehabilitation and resurfacing projects. As the City expands, the department will be cognizant of plans to expand the water treatment plant and determine alternative treatment methods and sources. The financial statements include a 5% increase on water, sewer, and irrigation rates, effective October 1, 2024, in order to continue regular maintenance and upkeep on this infrastructure.

Sanitation

The Sanitation Division operates a comprehensive waste collection program that provides residential, commercial, yard waste and recycling services. The financial statements include an 5% increase in Solid Waste rates approved, effective October 1, 2024.

Related Financial Policies

The City's general governmental accounting records are maintained on a modified accrual basis, with the revenues recorded when available and measurable. Expenditures are recorded when services or goods are received, and liabilities are incurred. Accounting records for the City's utilities, proprietary funds, and pension trust funds are maintained on an accrual basis.

The City reviews financial policies annually with the adoption of the Operating and Capital Budget. The policies help ensure the ability to meet immediate and long-term service objectives. The City limits its exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible.

Accounting Systems

The City's accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The accounting system supports an adequate internal control structure, which provides reasonable, but not absolute, assurance that the City's assets are safeguarded against loss, theft, or misuse. Reasonable assurance recognizes that the cost of a control should not exceed the expected benefits based on management's estimates.

Budgetary Control

During the fiscal year, budgetary control and revisions are maintained at the department level. All purchase orders are compared to the category appropriation. Department directors are authorized to move funds within the categories of their respective divisions. The City Manager or Finance Director is authorized to transfer any unencumbered appropriation balance, or portion thereof, between specific expenditure classifications within a department or fund.

The budget process allows for amendments during the year as conditions warrant. Per the City Charter, the City Council is authorized to make changes to the budget as it deems necessary for the City's proper and economical operation, and may transfer any unencumbered balance, or portion thereof, to pay for any municipal purpose. An amendment may be initiated by the Finance Director, reviewed by the City Manager, and submitted to the City Council for its consideration. Appropriations are realigned upon City Council approval. In addition, the enabling legislation allows the City Manager or Finance Director to transfer an encumbered balance among programs within an operating fund, providing such action does not result in discontinuing a program. Also, appropriation of donated or grant expenditures is based upon the request. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in City Council's adopted annual budget.

Major Initiatives

Redevelopment of the City's commercial property remains a high priority. The City's long-term financial condition is very dependent upon growing the local tax base through both strategic public and private investment. The City is examining its land development criteria to identify areas that could be streamlined and/or updated for greater efficiency.

For FY 2025, increases in rates for water and sewer, and sanitation were used to meet system operating costs and capital reinvestment needed to ensure the long-term viability of the utility system.

Major Capital expenditures in FY 2025 included:

- Improvements to the City water and wastewater distribution systems continued to be a focus in FY 2025 with capital investment in sewer mains, lift station rehabs, lining, and equipment, including new Sanitation trucks to replace an ageing fleet.

The entire Capital Improvement Program for FY 2025 can be found within the Annual City Budget, located at www.templeterrace.gov, under the subheading of Agenda and Documents, then to the drop-down list from the Annual Budget and Financial Reports, then select the capital improvement program FY 2025.

Awards and Acknowledgements

Certificate of Achievement for Excellence in Financial Reporting

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 Temple Terrace for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. This was the forty-sixth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

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

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Annual Budget for FY 2026, beginning October 1, 2025, marking forty-seven years the City has received this award. It is based on a governmental unit's publishing a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report is made possible by the dedicated service of the entire staff of the City's Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Appreciation is also extended to all City departmental directors and staff, who contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. We recognize the Mayor and City Council for their leadership and support in providing the highest level of accountability and transparency through financial reporting. We also thank the citizens of the City of Temple Terrace whose cooperation, support, and assistance have contributed greatly to the operation of this Amazing City.

Respectfully submitted,

Carlos P. Baía	James Ingram
City Manager	Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Temple Terrace
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Executive Director/CEO

LIST OF ELECTED AND APPOINTED OFFICIALS

City Council—Elected Officials

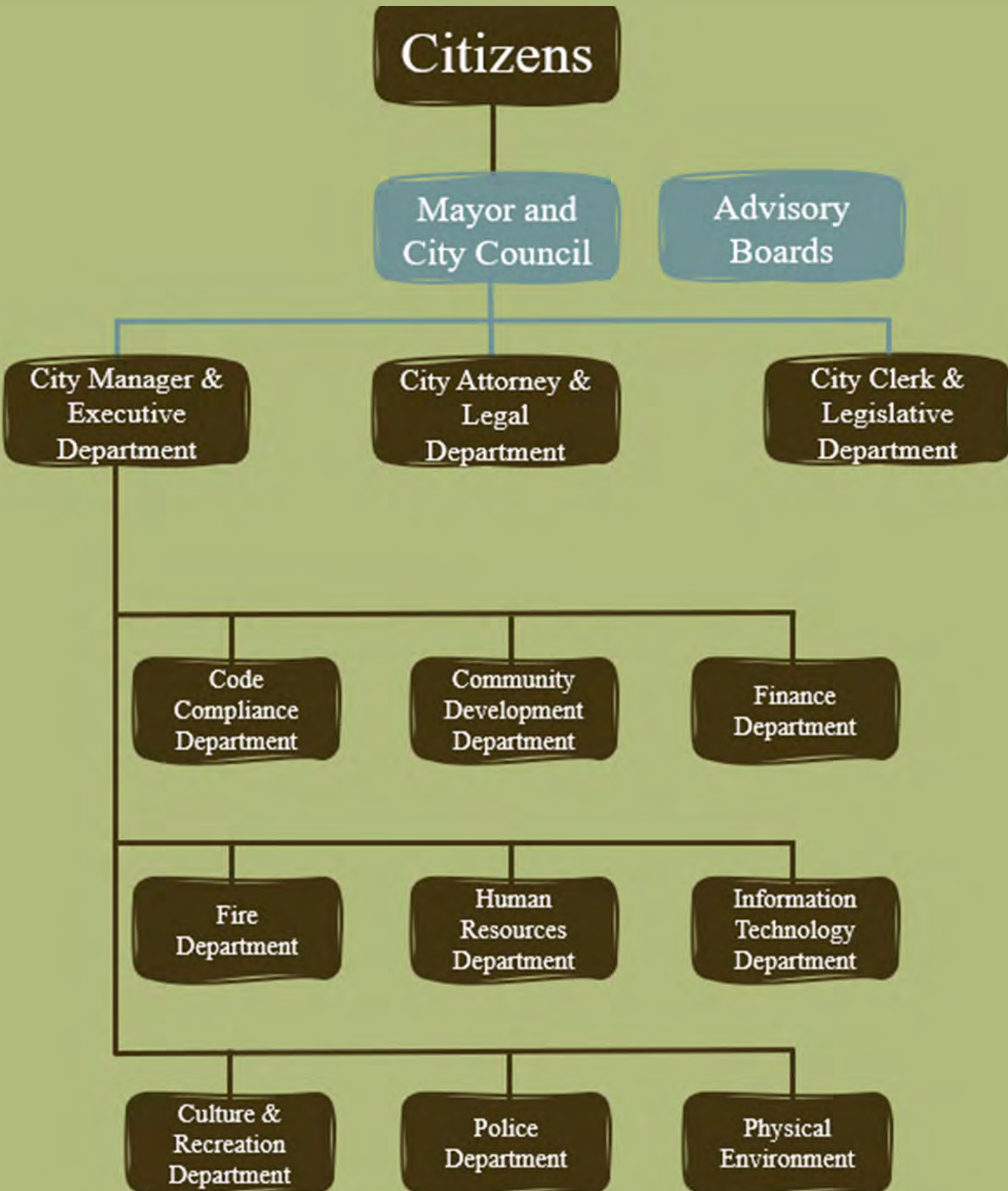
Andrew Ross, Mayor
Gil Schisler, Vice Mayor
James Chambers, Council Member
Alison Fernandez, Council Member
Erik Kravets, Council Member

City Manager

Carlos Baia

Appointed Officials

Assistant City Manager / HR Director	Antonio Nazario
City Attorney	Ernest Mueller
City Clerk	Lynda Sader
Code Compliance Director	Jack Shanks
Community Development Director	Gregory Pauley
Finance Director	James Ingram
Fire Chief	Ian M. Kemp
Information Technology Director	Sally Cabrera
Leisure Services Director	Karl W. Langefeld
Police Chief	Robert J. Staley
Public Works / Utilities Director	Jason Warrenfeltz


Citizens
Mayor and City Council
Advisory Boards
City Manager & Executive Department
City Attorney & Legal Department
City Clerk & Legislative Department
Code Compliance Department
Community Development Department
Finance Department
Fire Department
Human Resources Department
Information Technology Department
Culture & Recreation Department
Police Department
Physical Environment

FINANCIAL SECTION

Independent Auditor’s Report

Management Discussion and Analysis

Basic Financial Statements

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Independent Auditor's Report

The Honorable Mayor and City Council
City of Temple Terrace, Florida
Temple Terrace, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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 combining and individual fund statements and schedules and the 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 fund statements and schedules and the 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Management of the City of Temple Terrace (the City) has prepared the following discussion and analysis to provide a general overview of the financial activities for the Fiscal Year (FY) ended September 30, 2025, for the readers of the City's financial statements. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, and should be considered in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

For FY 2025, the City's total net position increased by $5,331,500. The governmental net position increased by $1,708,166. The most significant factor in the governmental net position increase was a decrease in the combined Police and Fire Pension's net liability of $815,310 due to modest gains in net investment income. Other factors are listed below under the section "Governmental Activities." Business-type net position increased by $3,623,334, mostly due to revenue growth from increased rates for both Water & Sewer Utilities and Sanitation. In addition to rate increases (5% for Water & Sewer; 5% for Sanitation services), the Sanitation Department added a new reselling of recyclable materials from Amazon during FY 2025.

Comparing FY 2025 with FY 2024, the governmental activities revenue increased $1,329,843 (or 2.85%), mainly due to property taxes increasing by $1,057,302 (or 5.81%); expenses increased by $5,668,491 million (or 14.42%), largely due to Hurricane Milton expenditures totaling around $4.8 million. For FY 2025, governmental activities increased net position by $1,708,166 lower than the FY 2024 net position increase, which was $7,485,242. This difference from prior year is due primarily to the Hurricane Milton expenditures not reimbursed or obligated by FEMA as of Fiscal-Year end.

Comparing FY 2025 with FY 2024, excluding transfers, the business-type activities revenue increased $815,707 (or 3.40%), while the expenses increased by $2,248,631 (or 11.11%). The increase in expenditures was due to $976,375 of ARPA expenditures for the Whiteway Utility Service Center, and over $1.5 million investment in Sanitation trucks. After the transfer from governmental funds in FY 2025, business-type activities increased in net position by $3,623,334, slightly higher than the FY 2024 net position increase, which was $3,617,824.

For FY 2025, the General Fund reported a decrease in the fund balance of $5,151,179, compared to an increase in fund balance of $1,866,287 in FY 2024. The major contributor to this decrease was the Hurricane Milton expenditures which had neither been reimbursed nor obligated by FEMA as of the Fiscal Year 2025 end. Another factor was a concerted effort by the City to fund General Fund Capital projects and a few one-time operating expenditures with unassigned fund dollars to stabilize the millage rate and to "spend down" excess General Fund monies to create a more reasonable ratio of fund balance to operating expenditures. The City budgeted $7,766,200 unassigned General Fund dollars for Capital projects alone, and by Fiscal-Year end, had encumbered or spent $1,071,501 of these funds.

For budgetary reporting purposes, the General Fund reported total resources equal to 75.25% of the budget, and expenditures of 83.698% of budget.

Overview of the Financial Statements

The financial statements presented herein include all the activities of the City and its component units using the integrated approach as prescribed in Government Accounting Standards Board (GASB) Statement No. 34. Included in this report are government-wide statements for two categories of activities–governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources management focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt).

The MD&A is intended to serve as an introduction to the City's basic financial statements. These statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial statements also contain required supplementary information and other supplementary information.

The government-wide financial statements provide long-term and short-term information about the City's overall financial status. The fund financial statements focus on individual parts of the City and provide greater detail of the City's operations. The notes explain some of the information in the statements and provide more detailed data.

Government-Wide Financial Statements

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined, or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. They are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, including all assets and liabilities using the accrual basis of accounting. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements distinguish between two types of City functions. Governmental activities are principally supported by taxes and intergovernmental revenues. The governmental activities of the City basic services include general government, police, fire, protective inspections, public works, community development, and recreation. These activities are primarily financed though property taxes, utility taxes, gas taxes, sales taxes, and the City's utilities contribution.

Other City functions are business-type activities and are intended to recover all or a significant portion of their costs through user fees and charges. The City's business-type activities reflect private sector-type operations (water, sewer, and sanitation), where the fee for services typically covers all or most of the cost of operation, including depreciation.

Along with several other statements, the Governmental-wide statements include:

- Statement of Net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and net position.
    - This statement format combines and consolidates the governmental funds' current financial resources with capital assets (including infrastructure), and long-term obligations.
    - 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.
- Statement of Activities presents changes in the City's net position during the most recent fiscal year.
    - All changes in net position are reported when the change occurs, regardless of the timing of related cash flows.
    - 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).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of Temple Terrace, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Temple Terrace can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) 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 funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. 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 seven individual governmental funds.

- General Fund
- Street Improvement Fund
- Building Fund
- Community Investment Tax Fund (CIT)

- Tax Increment Financing Fund (TIF)
- Debt Service Fund
- Insurance Premium Investment Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Street Improvement Fund, all of which are considered major funds. This year's non-major financials combines the Building Fund, Community Investment Tax Fund, Debt Service Fund, the Tax Increment Financing Fund, and the Premium Insurance Fund. Details of these funds are found in Other Supplementary Information.

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements in more detail. The City of Temple Terrace maintains two different types of proprietary funds: (1) Enterprise and (2) Internal Service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Water/Sewer and Sanitation operations. The proprietary fund financial statements provide separate information for the two major enterprise funds.

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 City Garage fleet maintenance. These services predominantly benefit governmental rather than business-type functions. They have been included within governmental activities in the government-wide financial statements. The internal service fund is presented in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of 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.

Notes to the Financial Statements

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

Other Information

The report also presents required supplementary information concerning the City of Temple Terrace's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. The combining statements referred to earlier and other schedules are presented immediately following the required supplementary information on pensions.

Government-Wide Financial 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 and deferred outflows exceeded liabilities and deferred inflows by $99,853,271 as of September 30, 2025. The table below reflects the condensed government-wide Statement of Net Position (in thousands).

MD&A Statement of Net Position

Category	Gov. Activities 2025	Gov. Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Total 2025	Total 2024
Assets						
Current and other assets	$ 45,174	$ 52,222	$ 21,728	$ 22,657	$ 66,902	$ 74,879
Capital assets (net)	56,792	52,384	37,279	31,535	94,071	83,919
Total assets	101,966	104,606	59,007	54,192	160,973	158,798
Deferred outflows of resources	3,764	2,150	268	149	4,032	2,299
Liabilities						
Other liabilities	9,227	11,504	4,947	3,729	14,173	15,233
Long-term liabilities	43,941	44,910	1,287	1,162	45,229	46,072
Total liabilities	53,168	56,414	6,234	4,891	59,402	61,305
Deferred inflows of resources	4,951	4,439	201	233	5,152	4,672
Net Position						
Investment in capital assets	56,792	51,754	37,279	31,534	94,071	83,288
Restricted	14,259	18,836	6,496	11,066	20,754	29,902
Unrestricted	(23,440)	(24,687)	9,065	6,617	(14,374)	(18,070)
Total net position	$ 47,611	$ 45,903	$ 52,840	$ 49,217	$ 100,451	$ 95,120

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

Another portion of the City's net position, restricted net position, is at $20,754,036 (or 20.78%), which represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position decreased by $3,683,431 (or 12.32%) during the year. The most significant factor in this decrease was $2,940,657 of deferred ARPA revenue drawn down.

Statement of Activities

The key elements of the changes in the City's net position for the fiscal years ended September 30, 2025, and September 30, 2024, are as follows:

MD&A Statement of Activities

Category	Gov. Activities 2025	Gov. Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Total 2025	Total 2024
Revenues						
Charges for services	$ 8,415	$ 9,241	$ 24,300	$ 22,310	$ 32,715	$ 31,551
Operating grants & contributions	866	1,057	-	-	866	1,057
Capital grants & contributions	3,489	1,801	178	413	3,667	2,214
Property taxes	19,260	18,203	-	-	19,260	18,203
Sales taxes	7,090	7,964	-	-	7,090	7,964
Utility taxes	5,219	4,430	-	-	5,219	4,430
Local business taxes	259	232	-	-	259	232
Grants & contrib. not restricted	51	55	-	-	51	55
Investment earnings	2,143	2,590	695	809	2,838	3,399
Other general revenues	1,182	1,023	-	-	1,182	1,023
Gain on sale	23	72	(375)	450	(352)	522
Total revenues	47,997	46,668	24,798	23,982	72,795	70,650
Expenses						
General government	7,111	6,717	-	-	7,111	6,717
Public safety	23,533	22,225	-	-	23,533	22,225
Public works	8,494	4,600	-	-	8,494	4,600
Economic development	13	196	-	-	13	196
Culture & recreation	5,516	5,217	-	-	5,516	5,217
Long-term debt interest	305	349	-	-	305	349
Water and sewer	-	-	16,231	15,863	16,231	15,863
Sanitation	-	-	6,261	4,380	6,261	4,380
Total expenses	44,972	39,304	22,492	20,243	67,464	59,547
Other financing sources						
Transfers	(1,317)	122	1,317	(122)	-	-
Total other financing sources	(1,317)	122	1,317	(122)	-	-
Change in net position	1,708	7,486	3,623	3,618	5,331	11,104
Net position–beginning	45,903	38,417	49,217	45,599	95,120	84,016
Net position–ending	$ 47,611	$ 45,903	$ 52,840	$ 49,217	$ 100,451	$ 95,120

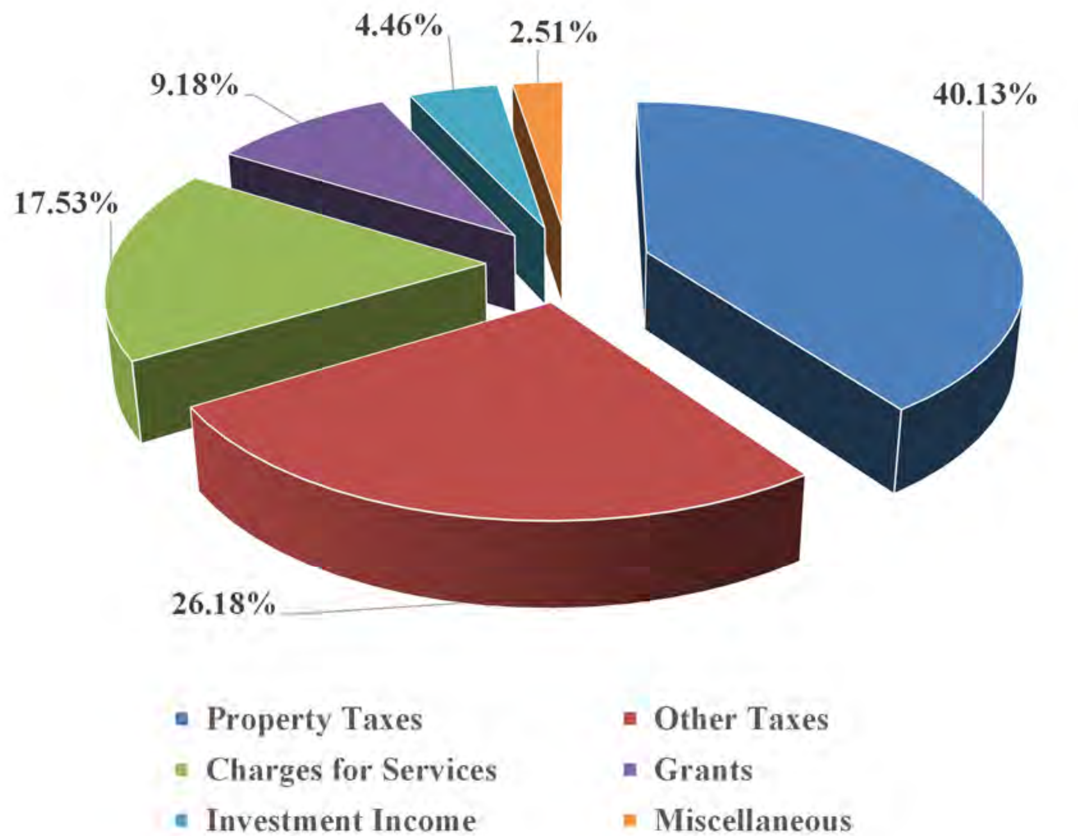
(reported in thousands)

Governmental Activities

Governmental activities increased the City's net position by $1,708,166, net of the transfer from the business-type funds. The key elements in the difference between the 2 years are as follows:

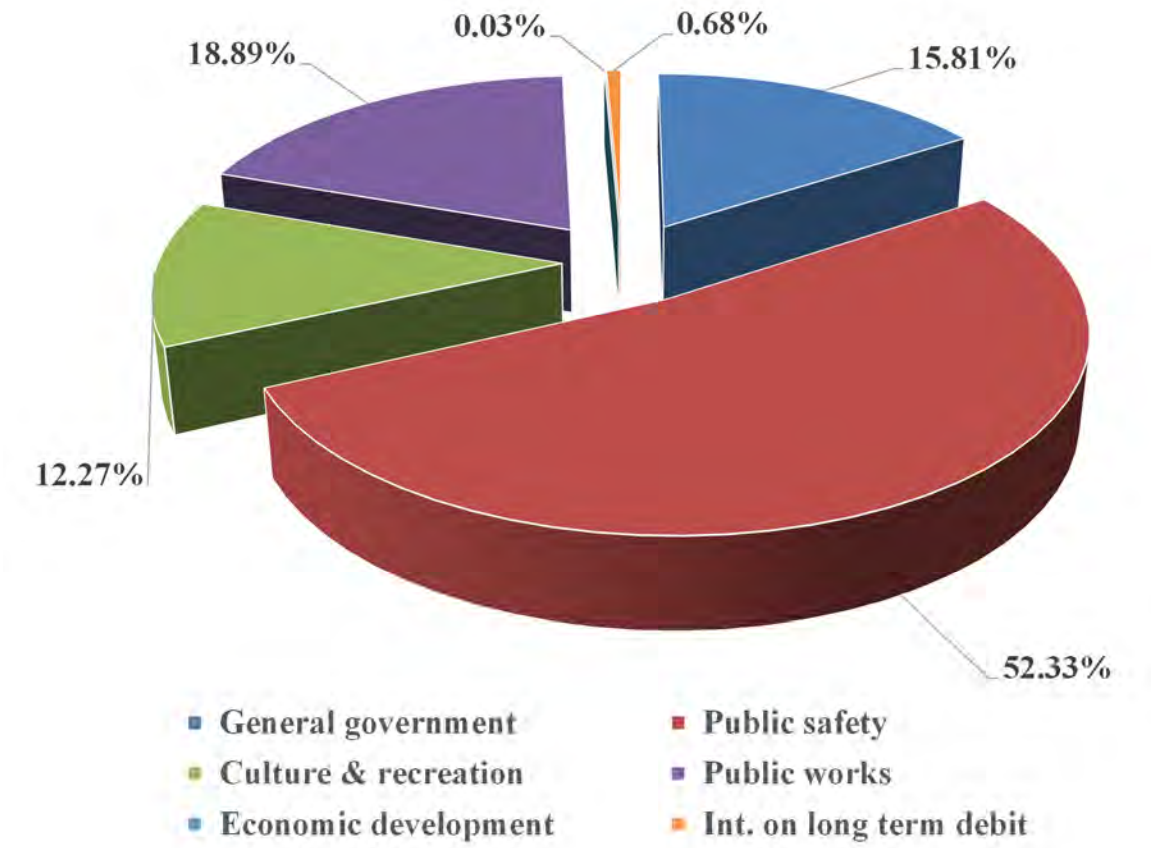
- Property taxes increased by $1,057,302 (or 5.81%) during FY 2025
    - The increase is due to an increase in property values
- Sales tax revenue decreased by $873,629 (or -10.97%) during FY 2025
- Utility taxes increased by $788,548 (or 17.80%) during FY 2025
- Local business taxes increased by $26,167 (or 11.26%) during FY 2025
- Investment income decreased by $447,564 (or -17.28%) during FY 2025
    - The decrease is due to lower interest rates and lower balances held in City accounts

Revenue by Source – Governmental Activities



The pie chart above shows that offsetting revenues of 26.71% for governmental activity expenses come from specific charges for services (17.53%) and grants (9.18%). The remaining 73.29% of revenue supporting governmental activities come from property taxes (40.13%), other taxes (26.18%), investment income (4.46%) and other miscellaneous general revenues (2.51%).

Expense by Function – Governmental Activities



The pie chart above shows that Public Safety and Public Works account for a majority of the governmental expenditures during FY 2025 with 52.33% and 18.89% respectively. General government, which includes executive, human resources, finance and information technology, has 15.81% of the annual expenditures. Culture & recreation, which is a combination of the city library and all family recreation activities, accounts for 12.27%.

Business-Type Activities

Business-type activities increased the City's net position by $3,623,334.

Key elements of the net increase were:

- The Water and Sewer Utility Fund had operating income of $2,086,544 and the operating revenue increased by $1,263,871 (or 7.41%). This increase is a function of increased water rates, as well as the addition of new accounts within the City. As operational expenses and infrastructure update requirements continue to increase in cost, the City evaluates the need to increase rates for the citizens. For FY 2025, water rates were increased by 5%.
- The Sanitation Fund had an operating loss of ($278,652). This loss is primarily due to increased operational expense for City Garage fleet maintenance and waste disposal contractual services. Each year the City evaluates the need to increase rates for the citizens. For FY 2025, water rates were increased by 5%.
- Charges for Services category accounts for 91.23% of the revenue generated in the enterprise funds. Rates are established to ensure operating expenses are covered.

City of Temple Terrace Governmental Funds–Fund Balance as of September 30, 2025

Category	General	Street Improvement	Non-Major Government Funds	Total
Non-spendable	$ 1,962,099	$ -	$ -	$ 1,962,099
Restricted	884,160	8,349,761	5,119,132	14,353,053
Committed	1,365,952	-	-	1,365,952
Assigned	2,131,792	-	-	2,131,792
Unassigned	15,068,913	-	-	15,068,913
Total fund balance	$ 21,412,916	$ 8,349,761	$ 5,119,132	$ 34,881,809

Financial Analysis of the Government's Funds

As shown above, at the end of FY 2025, the City's governmental funds reported combined ending fund balances of $34,881,809, a decrease of $(5,306,384), in comparison with the prior year.

- Unassigned balance
  - Available for spending is approximately $15,068,913 (or 43.20%)
- Non-spendable
  - Not in spendable form is $1,962,099 (or 5.62%)
- Restricted
  - $14,353,053 (or 41.15%) is externally imposed by providers
- Committed and assigned
  - Are constrained for specific purposes internally, total $3,497,744 (or 10.03%)

General Fund

The General Fund is the City's chief operating fund. At the end of FY 2025, unassigned fund balance of the General Fund was $15,068,913, while total fund balance decreased by $5,151,180 to $21,412,916. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 36.57% of total General Fund expenditures excluding capital outlay and debt service, while total fund balance represents 51.97% of that same amount.

See page 32 of the MD&A for additional discussion of millage rates and the assessed values of City property. These factors have a significant impact on the budgeted and actual revenues for the General Fund.

The fund balance of the City's General Fund decreased by $5,151,180, for the period ending September 30, 2025.

The General Fund final budget was equal in terms of revenues and expenditures. Actual revenues of $40,506,816 increased $419,313 from FY 2024 revenues of $40,087,503.

- Actual revenues were under budget by $13,331,913. The variance is mainly due to not using $9,047,648 of appropriated fund balance for ongoing projects and awaiting State of Florida grant funding of $5,262,900 for the new EOC building.
- Actual expenditures were $43,033,517, excluding other financing sources.
- Budgeted net of revenues to expenditures increased by $4,947,774 from the original to final budget.

Street Improvement Fund

The Street Improvement Fund decreased by $(775,238) to a total fund balance of $8,349,761, all of which is restricted for eligible street improvement programs.

- FY 2025 revenues were $3,793,521
    - Increased $1,601,335 (or 73.05%) compared to FY 2024
- FY 2025 expenditures were $4,568,759
    - $4,383,428 (or 81.83%) was spent on capital outlay
- Total expenditures increased $3,542,981 (or 345.39%) compared to FY 2024

Proprietary Funds

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

- Unrestricted net position of the Water/Sewer Utility amounted to $9,554,110
    - Increased by $4,037,709 from FY 2024 (or 73.19%)
- Unrestricted net position for the Sanitation amounted to $(488,670)
    - Decreased by $1,589,316 from FY 2024 (or -144.40%) mainly due to purchases of sanitation vehicles for $1.5 million.

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital asset for its governmental and business-type activities as of September 30, 2025, totals $94,070,992. This investment in capital assets includes:

- Land
- Buildings and system improvements
- Right to use – Subscription-Based IT Arrangements (SBITA)
- Construction work in progress
- Park facilities, roads, highways & bridges

The City's total investment in capital assets for FY 2025 increased by $10,782,824 (or 11.46%). This is comprised of a $5,038,355 increase for governmental activities and a $5,744,469 increase for business-type activities.

Major capital asset events during the current fiscal year included:

- The City's net accumulated depreciation/amortization increased by $3,097,279 (or 3.61%).
    - o The depreciation expense is mainly impacted by machinery & equipment and infrastructure as well as disposals during the year.
- Governmental activities accounted for $2,290,154 (or 4.80%) increase.
- Business-Type activities accounted for $807,125 (or 2.12%) increase.

The liability for the SBITA is capital-related. See footnotes for more detailed information on Capital Assets, beginning on Pg. 79, and the City's SBITA obligations, beginning on Pg. 120.

Capital Assets at Year-End Net of Depreciation/Amortization

Category	Govt. Activities 2025	Govt. Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Total 2025	Total 2024
Land	$ 7,025	$ 7,029	$ 1,093	$ 1,093	$ 8,118	$ 8,122
Buildings	18,924	18,614	2,566	3,657	21,490	22,271
Improvements, other than bldgs.	9,794	9,829	816	-	10,610	9,829
Equipment	19,836	18,379	10,191	8,235	30,027	26,614
Infrastructure	45,590	44,604	55,667	51,680	101,257	96,284
Right to use - SBITA	1,050	893	-	-	1,050	893
Construction in Progress	4,558	731	5,823	4,940	10,381	5,671
Subtotal	106,777	100,079	76,156	69,605	182,933	169,684
Less: accumulated depreciation	(49,985)	(47,695)	(38,877)	(38,070)	(88,862)	(85,765)
Net capital assets	$ 56,792	$ 52,384	$ 37,279	$ 31,535	$ 94,071	$ 83,919

(Reported in thousands)

Debt Administration

At the end of FY 2025, the City of Temple Terrace had total debt outstanding, including SBITA (see also page 121 in the Footnotes), secured by various revenue sources, e.g., revenue bonds, and covenants to budget and appropriation.

Outstanding Debt at Year-End

Category	Govt. Activities 2025	Govt. Activities 2024
Revenue Notes	$ 10,004,856	$ 11,483,141

All debt is in Governmental Activities as previous enterprise debts have been paid off since 2017. See footnotes for more detailed information on the City's debt instruments.

General Fund Budgetary Highlights

During the current year, the adopted and final budgeted expenditures increased $6,394,941. The reasons for the increase were to finish purchase orders that began in FY 2024, and other revenue/expenditures that were not expected, most significantly, expenditures resulting from Hurricane Milton.

On October 9, 2024, Hurricane Milton made landfall near Siesta Key, Florida, as a Category 3 hurricane. Hurricane Milton comprised $4,775,489 (75%) of the $6,394,941 budget adjustments in the General Fund. Of the $4.7 million in General Fund expenditures due to Milton, $3.6 million was spent on debris cleanup. Work to secure FEMA reimbursements began soon after, but no funds were received or obligated yet by the end of FY 2025. Amounts on the Schedule of Expenditures for Federal Awards (Pg 200) are from prior storms and were obligated during FY 2025.

Economic Factors and Next Year's Budgets and Rates

The City's millage rate for FY 2025 remains at 6.455. The City's taxable property values increased an additional $134,589,707 (or 4.4%) in 2025, applicable to the property taxes to be collected in FY 2025. Over the last five years, property values have increased annually by an average of 10.42%. In FY 2019, the City decreased the millage rate to 6.555 mils per $1,000 of assessed property value and kept the same rate for FY's 2020 through 2023. In September 2023, the City adopted a 6.455 millage rate for FY 2024, a decrease of 0.1 mills, and continued to use that millage rate for FY 2025 and FY 2026.

The Temple Terrace Community Redevelopment Area (CRA) property values rose from $119,361,370 for FY 2024 to $197,506,450 for Fiscal Year 2025, a taxable value increase of $729,480 over the prior year value. Values in this area rose 65.4% over FY 2024. The Tax Incremental Financing (TIF) income continues to assist in contributing to the interest payments on the investment in redevelopment. The FY 2025 budget included interest and principal payments for a CRA loan, capital expenditures of $400,000, and a reserve of $355,444.

The FY 2026 Operating Budget decreased by $2,353,256 (or -2.97%), from $79,225,502 to $76,872,246. The total budget decreased from $100,944,253 (original adopted budget) in FY 2025 to $100,470,833 in FY 2026. The 2026 budget includes a 4% cost of living adjustment (COLA) increase for all general employees with a 2% merit increase for qualifying employees on their anniversary date. The budget also included the following Capital Improvement Projects (not an inclusive list):

- $400,000 for a street sweeper truck
- $300,000 for 54th Street watermain construction
- $750,000 for Brentwood Dr and S Riverhills Dr construction
- $420,000 for sidewalk projects
- $3,500,000 for various street resurfacing projects
- $250,000 Riverhills playground improvements
- $400,000 Riverhills Park construction
- $2,000,000 Lift Station B (Sierra Bravo) construction
- $600,000 for two new sanitation trucks

The Water/Sewer Enterprise Fund - comprised of several departments, including utility billing, meter technicians, operations, renewal and replacement, and improvement fees - is expected to improve performance. Water, sewer, and irrigation rates were raised by 5% on October 1, 2024. This increase will help the fund to recuperate and keep pace with maintenance of the thousands of feet of water/sewer lines, as well as the annual increases from the City of Tampa for wastewater treatment.

The Sanitation Fund increased solid waste rates by 5% on October 1, 2024, in conjunction with Hillsborough County raising solid waste disposal rates by 25.2%.

Requests for Information

This financial report is designed to provide a general overview of and present accountability for the City of Temple Terrace's finances to users and interested parties, the citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director via the City's website (http://www.templeterrace.gov), by phone at 813-506-6414, or mailed to:

City of Temple Terrace
James Ingram, Finance Director
11250 N 56th Street
Temple Terrace, FL 33687-2250

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Basic Financial Statements

Government Wide Financial Statements

- Statement of Net Position
- Statement of Activities

Fund Financial Statements

- Balance Sheet – Governmental Funds
- Reconciliation of the Balance Sheet to Statement of Net Position
- Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
- Statement of Net Position – Proprietary Funds
- Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds
- Statement of Cash Flows – Proprietary Funds
- Statement of Fiduciary Net Position – Pension Trust Funds
- Statement of Changes in Fiduciary Net Position – Pension Trust Funds

Financial Footnotes

Statement of Net Position
City of Temple Terrace
September 30, 2025

Category	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and investments	$ 24,742,555	$ 10,296,429	$ 35,038,984
Restricted cash	15,097,854	7,487,395	22,585,249
Accounts receivable, net of allowance	677,449	4,208,640	4,886,089
Ambulance receivable, net of allowance	491,828	-	491,828
Advance to other funds	350,000	(350,000)	-
Due from other governments	670,213	-	670,213
Due from other agency	693,164	-	693,164
Debt receivable	1,662,086	-	1,662,086
Lease receivable	456,894	-	456,894
Inventories	30,575	82,984	113,559
Prepaids	301,309	2,643	303,952
Capital assets			
Land and construction in progress	11,583,670	6,916,541	18,500,211
Other capital assets, net of depreciation	45,208,123	30,362,658	75,570,781
Total assets	101,965,720	59,007,290	160,973,010
Deferred outflows of resources			
Deferred outflows–OPEB	1,343,244	253,186	1,596,430
Deferred outflows–Pension	2,420,834	14,547	2,435,381
Total deferred outflows	3,764,078	267,733	4,031,811
Liabilities			
Accounts payable	1,671,491	3,235,823	4,907,314
Accrued payroll	612,452	134,300	746,752
Deposits and other payables	-	1,576,438	1,576,438
Unearned revenue	6,942,756	-	6,942,756
Long-term liabilities, including net pension liability			
Due within one year	2,226,658	459,014	2,685,672
Due in more than one year	41,714,683	828,346	42,543,029
Total liabilities	53,168,040	6,233,921	59,401,961
Deferred inflows of resources			
Deferred inflows–OPEB	804,073	131,084	935,157
Deferred inflows–Pension	3,428,703	69,812	3,498,515
Deferred inflows–Grants	332,840	-	332,840
Deferred inflows–Leases	385,404	-	385,404
Total deferred inflows	4,951,020	200,896	5,151,916
Net position			
Net investment in capital assets	56,791,793	37,279,199	94,070,992
Restricted–Donations & Forfeitures	5,766,197	-	5,766,197
Restricted–Debt	142,511	-	142,511
Restricted–Capital Projects	8,349,761	6,495,567	14,845,328
Unrestricted	(23,439,524)	9,065,440	(14,374,084)
Total net position	$ 47,610,738	$ 52,840,206	$ 100,450,944

The notes to the Basic Financial Statements are an integral part of the financial statements.

Statement of Activities
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Primary Government Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Govt. Activities**	**Business-Type Activities**	**Changes in Net Position-Total**
Governmental activities							
General government	$ 7,111,436	$ 5,277,248	$ 765	$ -	$ (1,833,423)	$ -	$ (1,833,423)
Public safety	23,532,818	1,991,358	703,634	-	(20,837,826)	-	(20,837,826)
Culture & recreation	5,516,459	1,146,754	161,430	-	(4,208,275)	-	(4,208,275)
Public works	8,494,135	-	-	2,674,293	(5,819,842)	-	(5,819,842)
Economic development	13,171	-	-	814,963	801,792	-	801,792
Int. on long term debit	304,628	-	-	-	(304,628)	-	(304,628)
Total government activities	44,972,647	8,415,360	865,829	3,489,256	(32,202,202)	-	(32,202,202)
Business activities							
Water/Sewer utility	16,230,571	18,317,115	-	177,500	-	2,264,044	2,264,044
Sanitation	6,261,245	5,982,593	-	-	-	(278,652)	(278,652)
Total business activities	22,491,816	24,299,708	-	177,500	-	1,985,392	1,985,392
Total primary government	$ 67,464,463	$ 32,715,068	$ 865,829	$ 3,666,756	(32,202,202)	1,985,392	(30,216,810)
General revenues							
Property taxes, levied for general purpose					19,259,850	-	19,259,850
Sales taxes					7,090,148	-	7,090,148
Utility taxes					5,218,708	-	5,218,708
Local business taxes					258,625	-	258,625
Unrestricted grants and contributions					50,816	-	50,816
Unrestricted investment earnings					2,142,700	695,343	2,838,043
Miscellaneous					1,182,674	-	1,182,674
Gain/(loss) on sale of capital assets					23,760	(374,314)	(350,554)
Transfers					(1,316,913)	1,316,913	-
Total general revenues and transfers					33,910,368	1,637,942	35,548,310
Change in net position					1,708,166	3,623,334	5,331,500
Net position–beginning					45,902,572	49,216,872	95,119,444
Net position–ending					$ 47,610,738	$ 52,840,206	$ 100,450,944

The notes to the Basic Financial Statements are an integral part of the financial statements.

Balance Sheet - Governmental Funds
City of Temple Terrace
September 30, 2025

Category	General Fund	Street Improvement Fund	Non-Major Govt. Funds	Total Govt. Funds
Assets				
Cash and cash equiv	$ 24,385,656	$ -	$ (94,584)	$ 24,291,072
Restricted cash	884,160	9,094,562	5,119,132	15,097,854
Accounts receivable - net	1,619,884	-	-	1,619,884
Accounts - billed	88,712	-		88,712
Accounts - unbilled	21,229	-	-	21,229
Ambulance rec - net	491,828	-		491,828
Loan receivable	1,662,086	-	-	1,662,086
Advance to other funds	350,000	-	-	350,000
Due from other gov't	562,078	6,510	101,625	670,213
Due from other agency	688,242	-	-	688,242
Lease rec	456,894	-	-	456,894
Prepaids	300,013	-	-	300,013
Interest receivable	703	1,394	2,123	4,220
Other rec	561,221	-	179	561,400
Total assets	30,452,822	9,102,466	5,128,475	44,683,763
Liabilities				
Accounts payable	780,208	752,705	6,968	1,539,881
Accrued payroll	598,698	-	2,375	601,073
Unearned revenue	6,942,756	-	-	6,942,756
Total liabilities	8,321,662	752,705	9,343	9,083,710
Deferred inflows of resources				
Grants	332,840	-	-	332,840
Leases	385,404	-	-	385,404
Total deferred inflows of resources	718,244	-	-	718,244
Fund balances				
Non-spendable	1,962,099	-	-	1,962,099
Restricted	884,160	8,349,761	5,119,132	14,353,053
Committed	1,365,952	-	-	1,365,952
Assigned	2,131,792	-	-	2,131,792
Unassigned	15,068,913	-	-	15,068,913
Total fund balances	21,412,916	8,349,761	5,119,132	34,881,809
Total liabilities, deferred inflows and fund balances	$ 30,452,822	$ 9,102,466	$ 5,128,475	$ 44,683,763

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
City of Temple Terrace
September 30, 2025

Category		Amount
Total fund balances–governmental funds		$ 34,881,809
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		
Governmental capital assets, net of internal service funds ($346,219)	106,430,860	
Less accumulated depreciation, net of internal service funds ($346,219)	(49,639,067)	
Net governmental capital assets		56,791,793
The net pension liability is not due and payable in current period and is not reported in the governmental funds, net of internal service funds ($81,838)		(25,300,670)
Deferred Outflows/Inflows of resources reported in the statement of net position:		
Net deferred outflows–OPEB, net of internal service funds ($23,518)	1,319,726	
Net deferred inflows–OPEB, net of internal service funds ($14,487)	(789,586)	
Net deferred outflows–pensions, net of internal service funds ($16,961)	2,403,873	
Net deferred inflows–pensions, net of internal service funds ($81,838)	(3,347,297)	
		(413,284)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Revenue notes payable	(10,004,856)	
Compensated absences, net of internal service funds ($25,970)	(1,910,780)	
SBITA liability, net of internal service funds ($0)	(609,929)	
Other Post-Employment Benefits, net of internal service funds ($115,942)	(5,891,356)	
Total governmental long-term liabilities		(18,416,921)
Internal service funds are used by management to charge the cost of fleet maintenance. The assets and liabilities of the Internal service funds are used by management to charge the cost of internal service funds are included in governmental activities in the statement of net position.		68,011
Net position of governmental activities		$ 47,610,738

Statement of Revenues, Expenditures, and Change in Fund Balances of Governmental Funds
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

Category	General Fund	Street Improvement Fund	Non-Major Govt. Funds	Total Funds
Revenues				
Taxes	$ 24,737,183	$ 744,355	$ 2,253,748	$ 27,735,286
Licenses & permits	116,372	-	467,814	584,186
Franchise fees	2,988,152	-	-	2,988,152
Intergovernmental	5,086,410	2,458,753	1,893,421	9,438,584
Charges for services	3,258,011	-	-	3,258,011
Fines & forfeitures	103,260	-	-	103,260
Investment earnings (loss)	1,568,141	374,457	200,103	2,142,701
Contributions & donations	1,236,059	215,956	-	1,452,015
Other	1,413,228	-	25,747	1,438,975
Total revenues	40,506,816	3,793,521	4,840,833	49,141,170
Expenditures				
General government	6,634,586	-	693,296	7,327,882
Public safety	23,006,850	-	1,166,793	24,173,643
Culture and recreation	4,695,912	-	-	4,695,912
Public works	7,048,247	185,331	-	7,233,578
Economic development	6,705	-	6,545	13,250
Capital outlay	1,641,217	4,383,428	2,532,622	8,557,267
Debt service				
Principal	-	-	847,824	847,824
Interest	-	-	304,628	304,628
Total expenditures	43,033,517	4,568,759	5,551,708	53,153,984
Excess (deficiency) or revenues over (under) expenditures	(2,526,701)	(775,238)	(710,875)	(4,012,814)
Other Financing Sources (Uses)				
Transfers in	-	-	2,233,849	2,233,849
Transfers out	(2,647,822)	-	(902,940)	(3,550,762)
Proceeds from sale of capital assets	23,343	-	-	23,343
Total other financing sources (uses)	(2,624,479)	-	1,330,909	(1,293,570)
Net change in fund balances	(5,151,180)	(775,238)	620,034	(5,306,384)
Fund balances-beginning	26,564,096	9,124,999	4,499,098	40,188,193
Fund balances-ending	$ 21,412,916	$ 8,349,761	$ 5,119,132	$ 34,881,809

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

Category		Amount
Net changes in fund balances–total governmental funds		$ (5,306,384)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of the assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Expenditures for capital assets	8,557,267	
Less current year depreciation & amort., net of internal service funds ($0)	(3,460,776)	
Loss on disposal/adjustments of fixed assets	(574,385)	
Net governmental capital assets		4,522,106
In the statement of activities, only the gain on sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the capital asset sold.		23,760
Change in SBITA asset/ Right to Use, net of internal service funds ($1,999)		(111,464)
Bond proceeds provide current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Governmental funds report debt issuance.		
Principal payments		847,823
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in long-term compensated absences, net of internal service funds ($12,808)	(277,806)	
Change in SBITA liability, net of internal service funds ($4,768)	15,765	
Change in net OPEB obligation, net of internal service funds ($9,560)	155,420	
Change in pension related amounts, net of internal service funds ($43,412)	1,562,051	
Other	(23,741)	
Total Other Expenses		1,431,689
The internal service fund is used by management to charge the costs of fleet maintenance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities		300,636
Change in Net Position of governmental activities		$ 1,708,166

Category	Water & Sewer Utility (Business)	Sanitation (Business)	Total Business-Type Activity	Internal Service (Govt.)
Current assets				
Equity in pooled cash & investments	$ 10,093,200	$ 203,229	$ 10,296,429	$ 451,483
Accounts receivable - billed, net	2,654,590	321,804	2,976,394	6,754
Accounts receivable - unbilled	867,880	354,810	1,222,690	-
Prepaids	2,643	-	2,643	1,296
Interest receivable	3,791	5,765	9,556	56
Inventories	82,984	-	82,984	30,575
Total current assets	13,705,088	885,608	14,590,696	490,164
Non-current assets				
Restricted cash, cash equity, & invest.				
Equity in pooled cash & invest.	7,487,395	-	7,487,395	-
Capital assets				
Land and construction in progress	6,916,541	-	6,916,541	-
Other capital assets	64,023,278	5,217,069	69,240,347	346,217
Less accumulated depreciation	(35,384,123)	(3,493,566)	(38,877,689)	(346,217)
Net capital assets	35,555,696	1,723,503	37,279,199	-
Total non-current assets	43,043,091	1,723,503	44,766,594	-
Total assets	56,748,179	2,609,111	59,357,290	490,164
Deferred outflow of resources				
Deferred outflows-OPEB related	175,954	77,232	253,186	23,518
Deferred outflows-pension related	9,676	4,871	14,547	16,961
Total deferred outflows	185,630	82,103	267,733	40,479
Current liabilities				
Accounts payable	1,961,252	601,839	2,563,091	131,610
Advance from other funds	-	50,000	50,000	-
Due to other government	672,732	-	672,732	-
Accrued payroll	95,717	38,583	134,300	11,379
Compensated absences	56,270	26,398	82,668	14,903
OPEB obligation	69,451	306,895	376,346	11,594
Customer deposits	1,567,636	8,802	1,576,438	-
Total current liabilities	4,423,058	1,032,517	5,455,575	169,486

Category *(Continued)*	**Water & Sewer Utility (Business)**	**Sanitation (Business)**	**Total Business-Type Activity**	**Internal Service (Govt.)**
Non-current liabilities				
Compensated absences	94,176	38,956	133,132	11,067
OPEB obligation	625,059	-	625,059	104,348
Advance from other funds	-	300,000	300,000	-
Net pension liability	46,668	23,487	70,155	81,838
Total non-current liabilities	765,903	362,443	1,128,346	197,253
Total liabilities	5,188,961	1,394,960	6,583,921	366,739
Deferred inflows of resources				
Deferred inflows-OPEB related	93,036	38,048	131,084	14,487
Deferred inflows-pension related	46,439	23,373	69,812	81,406
Total deferred inflows of resources	139,475	61,421	200,896	95,893
Net position				
Net investment in capital assets	35,555,696	1,723,503	37,279,199	-
Restricted-capital projects	6,495,567	-	6,495,567	-
Unrestricted/(deficit)	9,554,110	(488,670)	9,065,440	68,011
Total net position	$ 51,605,373	$ 1,234,833	$ 52,840,206	$ 68,011

Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

Category	Water & Sewer Utility (Business)	Sanitation (Business)	Total Business-Type Activity	Internal Service (Govt.)
Operating revenues				
Charges for services	$ 16,720,686	$ 5,447,125	$ 22,167,811	$ 762,461
Water/sewer taps & extensions	36,460	-	36,460	-
Intergovernmental	1,076,748	52,887	1,129,635	13,561
Recycling	-	36,081	36,081	-
Other	483,221	446,500	929,721	11,605
Total operating revenues	18,317,115	5,982,593	24,299,708	787,627
Operating expenses				
Utility billing	879,196	-	879,196	-
Meter readers	346,803	-	346,803	-
Administration	173,448	-	173,448	-
Engineering	549,275	-	549,275	-
Water supply treatment & pumping	2,159,389	-	2,159,389	-
Water distribution system maintenance	1,869,231	-	1,869,231	-
Sewer collection system maintenance	7,779,755	-	7,779,755	-
Sanitation services	-	5,700,589	5,700,589	-
Fleet maintenance	-	-	-	489,186
Other	1,541	311,014	312,555	-
Depreciation	1,598,342	249,642	1,847,984	-
Admin. charges from other funds	873,591	-	873,591	-
Total operating expenses	16,230,571	6,261,245	22,491,816	489,186
Operating income/(loss)	2,086,544	(278,652)	1,807,892	298,441
Non-operating revenues (expenses)				
Investment earnings/loss	683,565	11,778	695,343	1,565
Interest and fiscal charges	-	-	-	-
Sale of capital assets gain/(loss)	(391,177)	16,863	(374,314)	630
Total non-operating revenues (expenses)	292,388	28,641	321,029	2,195
Income/loss before contributions & transfers	2,378,932	(250,011)	2,128,921	300,636
Impact fees paid by customers	177,500	-	177,500	-
Transfers in	1,316,913	-	1,316,913	-
Change in net position	3,873,345	(250,011)	3,623,334	300,636
Net position–beginning	47,732,028	1,484,844	49,216,872	(232,625)
Net position–ending	$ 51,605,373	$ 1,234,833	$ 52,840,206	$ 68,011

Statement of Cash Flows – Proprietary Funds
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

Category	Water & Sewer Utility (Business)	Sanitation (Business)	Total Business-Type Activity	Internal Service (Govt.)
Cash flows from operating activities				
Cash received from customers	$ 17,398,946	$ 5,950,223	$ 23,349,169	$ 792,230
Cash payments to suppliers	(13,737,171)	(3,021,433)	(16,758,604)	56,467
Cash payments to employees	(28,953)	(2,613,674)	(2,642,627)	(516,307)
Net cash provided by (used for) operating activities	3,632,822	315,116	3,947,938	332,390
Cash flows from non-capital financing activities				
Cash transfers to other funds	(350,000)	-	(350,000)	-
Cash transfers from other funds	1,666,913	-	1,666,913	-
Net cash (used for) non-capital financing activities	1,316,913	-	1,316,913	-
Cash flows from capital and related financing activities				
Acquisition and construction of C.A.	(6,003,505)	(1,588,947)	(7,592,452)	-
Proceeds from sale of capital assets	(391,177)	16,863	(374,314)	630
Impact fees paid by customers	177,500	-	177,500	-
Net cash provided by (used for) capital & related financing activities	(6,217,182)	(1,572,084)	(7,789,266)	630
Cash flows from investing activities				
Interest and dividends on investments	683,772	11,778	695,550	1,565
Net cash provided by (used for) investing activities	683,772	11,778	695,550	1,565
Net increase/decrease in cash & cash equivalents	(583,675)	(1,245,190)	(1,828,865)	334,585
Cash & cash equivalents, October 1, 2023	18,164,270	1,448,419	19,612,689	116,898
Cash & cash equivalents, Sept. 30, 2024	$ 17,580,595	$ 203,229	$ 17,783,824	$ 451,483
Cash & cash equivalents consist of:				
Pooled cash & investments: current	10,093,200	203,229	10,296,429	451,483
Pooled cash & investments: non-current	7,487,395	-	7,487,395	-
Total cash & cash equivalents at year-end	$ 17,580,595	$ 203,229	$ 17,783,824	$ 451,483

(Continued)

Statement of Cash Flows – Proprietary Funds
City of Temple Terrace
For the Fiscal Year Ended September 30, 2025

Category *(Continued)*	Water & Sewer Utility (Business)	Sanitation (Business)	Total Business-Type Activity	Internal Service (Govt.)
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 2,086,544	$ (278,652)	$ 1,807,892	$ 298,441
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation & amortization expense	1,598,342	249,642	1,847,984	-
Change in assets & liabilities				
Increase/decrease accts receivable-net	(755,983)	(36,320)	(792,303)	5,900
Increase/decrease prepaids	2,860	-	2,860	(1,296)
Increase/decrease inventories	(10,389)	-	(10,389)	32,841
Increase/decrease deferred outflow OPEB	(85,419)	(40,264)	(125,683)	(10,449)
Increase/decrease deferred outflow pension	4,430	2,231	6,661	7,767
Increase/decrease accounts payable	818,770	459,925	1,278,695	38,477
Increase/decrease accrued payroll	8,777	4,207	12,984	2,327
Increase/decrease compensated absences	9,561	35,445	45,006	3,837
Increase/decrease due to other fund	-	(100,000)	(100,000)	-
Increase/decrease due to others	86,677	-	86,677	-
Increase/decrease customer deposits	(165,046)	3,950	(161,096)	-
Increase/decrease SBITA liability	-	-	-	(1,999)
Increase/decrease OPEB liability	78,152	36,838	114,990	9,560
Increase/decrease net pension liability	(22,826)	(11,488)	(34,314)	(39,983)
Increase/decrease deferred inflow OPEB	(15,259)	(7,193)	(22,452)	(1,867)
Increase/decrease deferred inflow pension	(6,369)	(3,205)	(9,574)	(11,166)
Total adjustments	1,546,278	593,768	2,140,046	33,949
Net cash provided/used for operating activities	$ 3,632,822	$ 315,116	$ 3,947,938	$ 332,390

Category	Amount
Assets	
Cash and cash equivalents: money market	$ 2,526,523
Total cash and cash equivalents	2,526,523
Receivables	
Investment income	95,427
Total receivables	95,427
Investments at fair value	
U.S. Treasury obligations and agency securities	18,599,934
Corporate bonds	784,136
Common stocks and mutual funds	25,294,951
Other-pooled/comingled funds	49,113,839
Total investments	93,792,860
Total assets	96,414,810
Liabilities	
Refunds of member contributions	30,063
Investment expenses	29,851
Administrative and other total payables	24,539
Total payable liabilities	84,453
Net position restricted for pensions	$ 96,330,357

Category	Amount
Additions	
Contributions	
State tax on insurance premiums	$ 939,101
Contributions–employer	4,326,567
Contributions–employee	1,314,466
Employee buy-back	1,977
Total contributions	6,582,111
Investment income/(loss)	4,077,841
Net appreciation/(decrease) in fair value of investment interest	3,294,143
Total investment income/(loss)	7,371,984
Investment expense	(372,583)
Net investment income/(loss)	6,999,401
Total additions/(decrease)	13,581,512
Deductions	
Pension benefits	5,105,369
Termination refunds	549,960
Administrative expense	140,113
Total deductions	5,795,442
Change in net position	7,786,070
Net position–beginning	88,544,287
Net position–end	$ 96,330,357

FINANCIAL FOOTNOTES

Footnote I—Summary of Significant Accounting Policies

- Reporting Entity
- Blended Component Units
- Basis of Presentation
- Basis of Accounting and Measurement Focus
- Adoption of New Governmental Accounting Standards Board – GASB Pronouncements
- Future GASB Pronouncements

Footnote II—Stewardship, Compliances, and Accountability

Footnote III—Detail Notes, All Funds

- Assets
- Liabilities

Footnote IV—Other Information

- Risk Financing
- Property Acquisition/ Public Safety Building
- Community Investment Tax Renewal
- PFAS
- Subsequent Events

Note I—Summary of Significant Accounting Policies

The financial statements of the City of Temple Terrace (the City) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Significant accounting policies are described below.

Reporting Entity

The City of Temple Terrace, incorporated on May 28, 1925, is a Florida municipality governed by the Mayor and five council members, all elected at-large. It operates under a Charter adopted on May 5, 1978, which provides for a Council/Manager form of government. The City is located on the west coast of the State of Florida in the Tampa Bay Area.

As required by Generally Accepted Accounting Principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units, entities for which the City is considered to be financially accountable.

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations that, because of the nature and significance of their relationship with the primary government, may not be excluded from the financial reporting entity

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, if applicable, has included them in the City's financial statements.

Blended Component Units

On December 16, 2003, by Resolution Number 168-03, the City established Temple Terrace Community Redevelopment Agency (CRA) as a component unit of the City pursuant to Section 163.512, Florida Statutes. Although legally separate, the CRA provides all its services entirely to the City and the Temple Terrace CRA Board is comprised wholly of City Council members. City Management has operational responsibility for the CRA and manages the activities in essentially the same manner in which it manages its own programs and departments. Separate financial statements are issued for Temple Terrace CRA. FY 2006 was the first year CRA realized any financial activity. The information associated with this Tax Increment Financing Fund is reflected as a non-major governmental fund in the City’s Other Supplementary Information.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (“Statement of Net Position” and “Statement of Activities”) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has mostly been removed from these statements. Governmental activities, normally 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 Activities” demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (b) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Internal service activity of the City has been eliminated on the government-wide financial statements. Other interfund activity, namely overhead charges absorbed by the General Fund and allocated amongst the City’s other funds, is reported as revenue in the fund providing the service or incurring the cost to be allocated and is reported as expense in the funds receiving the service or incurring the allocable share of the overhead charge.

Internal Service Funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the predominant users of the internal services are the City’s governmental activities, financial statements of Internal Service Funds are consolidated in the governmental column when presented at the government-wide level.

The City’s fiduciary funds are presented in the fund financial statements. Since these assets are being held for the benefit of a third party (pension plan participants) and cannot be used to address activities or obligations of the government, they are not incorporated into the government-wide 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. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The two Fiduciary Funds are not included in the government-wide statements and are summarized as basic financial statements.

Governmental Funds

The City recognizes the following governmental funds:

- General Fund (major fund)
    - The general operating fund of the City. It accounts for all financial resources not accounted for or reported in another fund.
- Street Improvement Special Revenue Fund (major fund)
    - This fund accounts for the proceeds of various intergovernmental gas tax revenues that are restricted to expenditure for specified purposes for streets, roadways, and bridges. The funds are primarily used for items that are capital in nature but can be used for street maintenance expenses.
- Building Fund
    - Per Florida Statutes, this special revenue fund is responsible for all permitting, plan review and the inspection for vertical and building construction in the City of Temple Terrace.
- Community Investment Special Revenue Fund
    - This fund accounts for the proceeds from the half-cent sales tax revenues, established on September 3, 1996, that are restricted for specified purposes. This tax was approved by voters to be extended to December 31, 2041. The funds are primarily for capital items but can be used for public safety equipment that does not meet the capitalization threshold.
- The Tax Increment Financing Special Revenue Fund (TIF)
    - As part of the City's efforts to improve quality of life and strengthen the economic environment, the City has established a Community Redevelopment Agency that includes 20 acres of City-owned land. The long-term vision is to create a vibrant downtown. The TIF Fund accounts for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes associated with the Temple Terrace Redevelopment Area.
- The Insurance Premium Tax Fund
    - Accounts for excise tax imposed on homeowners' insurance premiums collected by the State of Florida to help fund contributions to Firefighters' and Police Pension plans.
- Debt Service Fund
    - Accounts for resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds

The Proprietary Funds include Enterprise Funds for utility operations and Internal Service Funds for services within the City on a cost reimbursement basis. The City recognizes the following major proprietary funds:

- Water & Sewer Utility Fund
    - Accounts for the activities in providing water and wastewater collection, treatment and distribution services to the public.
- Sanitation Fund
    - Accounts for the activities in providing solid waste collection, transportation, and disposal services to the public.

Internal Service Fund

- City Garage Fleet Fund
  - Accounts for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis. The City's Garage Fleet Fund invoices departments for vehicle parts and services.

Fiduciary Funds

- Pension Trust Funds
  - Account for the activities of the City's Police Officers' Retirement Fund and Firefighters' Retirement Fund. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operation.

Basis of Accounting and Measurement Focus

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Modified Accrual

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Property taxes, intergovernmental revenues, franchise fees, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and 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.

"Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, (defined by the City as 275 days after year-end for intergovernmental grants and 60 days after year-end for other receivables). Expenditures are recognized at the time the fund liability is incurred, if measurable. Interest and principal payments on general long-term liabilities and compensated absences are recognized when paid. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as needed.

Accrual

All Proprietary and Fiduciary Funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. Their revenues are recognized when they are earned, and expenses recognized when they are incurred.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services, while operating expenses 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.

Budget Policy

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Not later than 45 days prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- Two public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through passage of an ordinance and resolution, unless an extension of time is authorized by the State legislature.
- The City Manager or Finance Director is authorized to transfer any unencumbered appropriation balance or portion thereof between departments and programs within a fund, and appropriate donated expenditures based on the request of donor. The City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one fund to another.
- The City Council adopts the Budget Ordinance for all operating funds of the City except for Trust Funds. Budgets of the General, Special Revenue, and Debt Service, funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The Insurance Premium Tax Fund is not budgeted. Expenditures may not legally exceed appropriations for each fund.

The key dates affecting the annual budget for the fiscal year ended September 30, 2025, were as follows:

• City Council budget work sessions:	During June & July
• City advises the Property Appraiser of tentative millage:	August 1
• First public hearing and adoption of tentative millage rate:	September 3
• Second public hearing and adoption of millage rate:	September 16
• Beginning of fiscal year for which taxes were levied:	October 1, 2024

All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for legally authorized revisions of the annual budgets during the year.

Encumbrances

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. All Governmental Fund budgets are maintained on the modified accrual basis of accounting and expenditures exclude purchase orders and contracts (encumbrances) issued for goods or services not received at year end. The actual results of operations, presented in accordance with GAAP and the City's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Due to the implementation of GASB Statement No. 54, encumbrances are not presented separately within the financial statements. They are part of fund equity and are restricted, committed, or assigned on the balance sheet depending on the nature of the encumbrance. Although encumbrances lapse at year-end, it is the City’s intention to substantially honor these encumbrances under authority provided in the subsequent year’s budget. The City's legally adopted budget does not automatically include an appropriation for encumbrances.

Cash and Investments

All funds participate in the pooled cash investment program. Investment income is allocated to individual funds based upon their average daily balance in the cash pool. Each fund’s individual equity in the City’s investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. This methodology is also used in the statement of cash flows for the proprietary funds.

Investments in debt securities are recorded at fair value based on quoted market prices of comparable instruments or other observable inputs. The City’s policy for reporting particular investments at amortized cost applies only to investments held in external investment pools which are 2a7-like. The value of the City’s position in qualified external investment pools is the same as the value of the pool shares.

Receivables

Accounts receivable are recorded in the General, Special Revenue and Enterprise fund types. Property taxes, which were levied during FY 2025, and are uncollected as of September 30, 2025, are immaterial and therefore not recorded as receivable.

There are allowances for uncollectible accounts based on the history of the percentage normally collected, by payor, for the Emergency Management System (EMS) billing. The allowance for uncollectible accounts for utility billing is recorded as the amount outstanding 120 days or more.

Inventories

General Fund departments maintain their own inventory and inventory is no longer centralized. Inventory included in the Water and Sewer Utility Fund consists of maintenance parts, various sizes of water meters along with various sizes of water lines. Inventory included in the City Garage Fleet Fund consists of maintenance parts held for consumption.

Restricted Assets

Cash and investments shown as restricted are comprised of amounts restricted for debt service, capital projects, and renewal and replacement.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets such as, roads, bridges, and sidewalks, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life of 3 years or longer. Such assets are recorded at historical cost, including all infrastructure assets as required by GASB Statement No. 34. 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.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Depreciation Schedule

Asset	Years of Useful Life
Buildings	50 years
Other Improvements	10-50 years
Infrastructure	15-50 years
Vehicles/Trailers	7-10 years
Equipment/ SBITA	3-15 years

The Water and Sewer Utility Fund and the Sanitation Fund pay a rental charge to the General Fund for the use of the land and buildings reflected in the Governmental Capital Assets.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position represent differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, relating to the City's defined benefit pension plans. The City also has deferred outflows of resources due to the implementation of GASB Statement No. 75 related to the OPEB Plan. These amounts will be recognized as expenses in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, and changes in the proportion and differences between the City's contributions and proportionate share of contributions and the City's contributions subsequent to the measurement date, relating to the City's defined benefit pension plans. The City also has deferred outflows of resources due to the implementation of GASB Statement No. 75 related to the OPEB Plan. These amounts will be recognized as reductions in expenses in future years. In addition, the government-wide statements include deferred inflows for leases.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statements of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the period incurred. Gains or losses resulting from advanced refunding of debt are deferred and amortized over the shorter of the life of the new debt or the original life of the defeased debt and are reported as a deferred outflow of resources and are amortized and reports as a component of interest expense.

The City has long-term obligations including revenue notes, OPEB, pensions, compensated absences, leases and Subscription-Based Information Technology Arrangements (SBITA's).

Compensated Absences

Regular permanent, full-time and part-time non-exempt employees accrue a paid vacation period of ten days for one to four years of service. Employees who have five through fifteen years of service receive fifteen days of paid vacation annually and thereafter twenty days. Exempt employees receive an additional five days per year until total vacation accrual reaches the maximum of twenty days per year. The City permits employees to accumulate unused vacation and carry it over from one year to the next; however, not more than 450 hours of accrued vacation time may be carried over. Sick Leave for Firefighters is accumulated at the rate of .0533 and for other permanent employees at the rate of .0462 per hour worked until the date of separation from City employment. Annually any unused sick leave over 112 hours for Firefighters, 120 hours for Police officers, and 80 hours for other employees can be converted to vacation time on a one-for-one basis. This conversion of sick leave to vacation is done at the employee's option. Any unconverted sick leave at the date of separation from City employment services is forfeited.

The City accrues accumulated unpaid vacation and sick leave when earned by the employee in the government-wide, and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of resignations or retirements.

Leases and SBITA

Lessee: The City is a lessee for small office equipment. None of the leases are material at this time and are recorded as rental expense. When the City is the lessee of a material lease, the contract will result in recognition of a right-to-use intangible asset that is offset by a corresponding lease liability. When the City is the lessor, the contracts result in recognition of a lease receivable and corresponding deferred inflows of resources. Lease intangible assets are reported with capital assets and lease liabilities are reported with long term liabilities on the government-wide and proprietary fund statements.

Estimates and judgments are sometimes made when determining the discount rate and overall term for leases. The City monitors its leases for significant changes in circumstances that warrant a remeasurement of the lease liability and associated intangible asset, and/or lease receivable and associated deferred inflows of resources.

Lessor: The City is a lessor for non-cancellable leases of right to use land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is amortized on a straight-line bases over the life of the lease term.

Key estimates and judgements include how the City determines: (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its incremental borrowing rate as a discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Subscription-based Information Technology Arrangements (SBITA) - The City is contracted with vendors under various SBITAs. The City recognizes a SBITA liability and an intangible right-to-use subscription asset in the government-wide and proprietary financial statements with capital assets. SBITA’s are defined by the City based on GASB 96 which will have an expense of more than $50,000 for the life of the agreement.

At the commencement of an agreement, the City initially measures the SBITA liability at the present value of payments expected to be made during the agreement term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The right-to-use subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement date, plus certain implementation costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITA include how the City determines: (1) the discount rate used to discount the expected payments to present value, (2) agreement term, and (3) agreement payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its incremental borrowing rate as the discount rate for SBITA.
- The term includes the noncancellable period of the agreement and any options to extend or terminate if considered reasonably certain. Payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Equity Classifications – Government-Wide Statements

Government-Wide Statements

Equity is classified as net position and displayed in three components as below:

Net Investment in Capital Assets

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position

Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Restrictions include donations and forfeitures, renewal and replacement, and capital projects. Earnings on restricted assets are included in net income of the statement of activities. Increases in restricted assets result in a decrease to unrestricted net position.

Unrestricted Net Position

All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Equity Classifications – Fund Statements

Governmental fund equity is classified as fund balance. Appropriations for a specific purpose are stipulated by an external resource provider or imposed by a law or enabling legislature that restricts its use. Fund balance is further classified as non-spendable, restricted, and unrestricted, which is further split between committed, assigned, and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

Non-Spendable

Amounts that cannot be spent because they are either: (1) not in spendable form, such as prepaid items, inventories, or long-term notes receivable; or (2) legally or contractually required to be maintained intact, such as the principal portion of an endowment. For the fiscal year ended September 30, 2025 non-spendable fund balance in the governmental funds totaled $1,962,099. This balance consisted of $300,013 of prepaid items, and $1,662,086 representing a long-term loan initiated in 2005 for the Temple Terrace Golf Club.

Restricted

Amounts that can be spent only for specific purposes stipulated by: (1) external resource providers, such as creditors, grantors, contributors, or laws or regulations of other governmental entities; or (2) imposed by law through constitutional provisions or enabling legislation that creates the revenue source and restricts its use. The detail is seen below:

Restricted Amounts

Fund - Category	Amount
General Fund – Major Fund	
Randy Mann Scholarship Funds	$ 798
Donations – Knox Box Program	1,724
Police Contraband & Forfeitures	29,560
911 Funding	569,160
Friend (Library)	8,662
Hillsborough County – Boat Ramp	200,596
Opioid Crisis Settlement	73,660
Total General Fund	884,160
Street Improvements – Major Fund	8,349,761
Building Fund - Non-major Fund	94,584
CIT Public Safety – Non-major Fund	3,978,400
Debt Service – Non-major Fund	142,511
Tax Increment Fund – Non-major Fund	903,637
Total Restricted Fund Balances	$ 14,353,053

Proprietary Fund equity restricts a portion of net position equal to certain assets to comply with revenue bond indenture covenants or other legal commitments. The use of restricted net position has been limited to the following items:

- Capital Projects
  - Indicates a portion of net position attributable to water and sewer improvement fees, which are restricted for costs related to physical plant expansion. The Statement of Net Position includes $6,495,567 restricted for capital projects.

Committed

Amounts that can be used only for the specific purposes determined by formal action (resolution) of the City Council, the City's highest level of decision-making authority. Commitments are binding unless removed by the City Council's formal action. Any formal action should occur prior to the end of the fiscal year. The Balance Sheet includes a committed fund balance of $1,365,952 for September 30, 2025.

Committed Amounts

Category	Amount
General Fund	
Adopt-A-Tree	$ 1,365,952
Total Committed Fund Balances	$ 1,365,952

Assigned

Amounts established by the City Manager or Finance Director intended to be used for specific purposes that are a result of either incomplete purchase orders, or orders made prior to the end of the fiscal year and was not received timely by the end of the fiscal year. The Balance Sheet includes an Assigned Fund Balance of $2,131,792 for September 30, 2025.

Assigned Amounts

Category	Amount
General Fund	
Centennial	$ 34,890
Council Projects	2,096,902
Total Committed Fund Balances	$ 2,131,792

Unassigned

The remaining portion of fund balance that does not fall into another category; positive unassigned fund balance applies to the General Fund only. Governmental funds, other than the General Fund, may reflect negative unassigned fund balance if expenditures exceed amounts that are restricted, committed or assigned to those purposes. The City's revised fund balance policy states that the General Fund shall strive to maintain an unassigned fund balance of a minimum of 25% of operating expenditures. This has been accomplished.

In accordance with the City's policy, restricted funds will be spent first unless there are legal documents that prohibit doing this, such as grant agreements. Regarding the use of unrestricted fund balance amounts, committed would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Revenues

Governmental revenues are accrued unless their actual collection falls outside the availability period of 60 days, or 275 days after year-end for intergovernmental grants, consistent with the modified accrual basis of accounting.

Property Taxes

Property taxes are billed and collected within the same fiscal period and are reflected on a cash basis when it is received from the tax collector. Since virtually all taxes levied will be collected through the tax collection process, remittances in October and November for prior year taxes are insignificant.

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. All property is reassessed according to its fair market value on January 1 of each year. However, an increase in assessed value on eligible homestead property is limited to the lesser of 3% or the consumer price index. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Hillsborough County Property Appraiser incorporates the millage into the total tax levy, which includes the municipality, county, independent districts, and the County School Board tax requirements. State Statutes permit cities to levy at a rate up to 10 mills ($10 per $1,000 of assessed taxable property value). The millage rate in effect for the fiscal year ending September 30, 2025, was 6.455.

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 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. The certificate holder may apply for a tax deed on any unredeemed tax certificate after a period of 2 years. The County holds unsold certificates.

Improvement Fees

Improvement Fees recorded in the General Fund are levied per individual agreements with developers and are not subject to refund; therefore, the revenue is recognized when received.

Connection Fees

Connection fees are reported as revenue only to the extent that the amount equals the cost of physical connection to the system. Since fees were not generated in excess of the cost to connect, no addition to contributed capital is required.

Expenditures

Expenditures are recognized when incurred with the following exceptions permitted by Generally Accepted Accounting Principles:

- General obligation long-term debt principal and interest are reported, if any, when due
- Inventory costs are reported when items are consumed

Interfund Transfers

Transfers were used to:

- Move of $824,961 from the General Fund, which is required to collect taxes, to the Tax Increment Financing Fund, which is required to expend them.
- Move receipts totaling $259,330 allocated to meet debt service requirements from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.
- Move receipts from the General Fund and Enterprise Funds totaling $1,316,913 for the portion of the 2023 Raulerson Ranch Road land sale proceeds equal to the original 2002 acquisition of the land paid with Enterprise funds.
- Move $246,618 from the General Fund to the Building Fund to subsidize the operation.

Below is a summary of interfund transfer activity:

Interfund Transfer Activity

	Transfer To	Transfer From
Governmental Funds		
Major Funds		
General Fund	$ -	$ (2,647,822)
Nonmajor Gov't Funds, net	1,330,909	-
Total Governmental Funds	1,330,909	(2,647,822)
Enterprise Funds		
Major Funds		
Water & Sewer Fund	1,316,913	-
Total Enterprise Funds	1,316,913	-
Total Primary Government	$ 2,647,822	$ (2,647,822)

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues are charges for services including the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost to provide service and deliver goods in connection with a proprietary fund's principal ongoing operations, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Adoption of New Governmental Accounting Standards Board – GASB Pronouncements

During the fiscal year ended September 30, 2025, the City had the following GASB Pronouncements to implement:

GASB Statement No. 101, Compensated Absences

Issued June 2022, 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The City implemented this GASB for FYE 2025, however it did not have a significant impact on the financial statements.

GASB Statement No. 102, Certain Risk Disclosures

Issued in December 2023, this Statement's objective is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement will be required beginning fiscal year 2025. This statement had no impact on the City's financial statements.

Future GASB Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements

Issued in April 2024, this Statement's objective is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This statement will be required beginning fiscal year 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets

Issued in September 2024, this Statement's objective is to provide users of government financial statements with essential information about certain types of capital assets. This statement will be required beginning fiscal year 2026.

GASB Statement No. 105, Subsequent Events

Issued in December 2025, this Statement's objective is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

The City will implement new GASB Pronouncements no later than the required effective date. Management evaluates whether new GASB pronouncements will have a significant financial impact on the City's financial statements.

Note II—Stewardship, Compliances, and Accountability

Material Violations of Finance Related Legal and Contractual Provisions

The City has no material violations of finance-related legal and contractual provisions.

Note III—Detail Notes, All Funds

Assets

Cash and Investments

The City maintains a pool of cash and investments in which each fund or sub-fund of an enterprise fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average daily balances. There is restricted cash for donations given for specific purposes and unexpended grant funds. For purposes of proprietary fund cash flow statements, cash and cash equivalents include equity in pooled investments that meet the criteria described above.

Florida Statute 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 United States Government and certain instruments guaranteed by the U.S. Government. Investments may include repurchase agreements. The Statutes also 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.

Investments, except for those in the Pension Trust Funds, must be in the City's name and held in safekeeping by a commercial bank having trust powers or a trust company, which record and provide accounting for various securities held.

General Operating Accounts – Deposits and Investments

As of September 30, 2025, the City’s main operating account with PNC showed a booked balance of $(706,832), which excludes the employee retirement 401A and deferred compensation. This reflected the statement balance of $39,786 plus all outstanding payables. In February 2023, the City’s money market account with PNC was changed to a “Sweep” account in order to minimize non-bearing interest balances in the main operating account and maximize interest in the money market account. A portion of the balance, $250,000 for the bank the City holds funds in is covered by the Federal Depository Insurance Corporation. The remaining balance was collateralized pursuant to Chapter 280, Florida Statutes, which obligates all participating institutions to reimburse the governmental entity for the loss, in the event of default by a participating financial institution, a qualified public depository. On the Statement of Net position, cash and cash equivalents include a balance in PNC for EMS/Ambulance deposits of $13,947, the petty cash funds held in the General Fund and in the Water and Sewer Utility Fund totaling $1,494 and emergency petty cash totaling $18,800 to be used “if needed” during storms and any other situation where access to cash may be limited.

The City utilizes a consolidated bank account wherein uninvested cash of all funds are commingled for enabling efficient handling of receipts and disbursements and facilitating investment of idle balances at higher yields. The formal accounting records identify the individual equities of each fund in the account.

As of September 30, 2025, the City had $20,328,292 invested in the State Board of Administration’s (SBA) Local Government Investment Pool (LGIP). This investment balance was entirely comprised of Florida PRIME, whose investment policy is to manage the weighted average maturity to 60 days or less. As of

September 30, 2025, the City also had $30,162,980 invested in the Florida Surplus Asset Fund Trust ("FL SAFE"), whose primary objective is to provide safety, liquidity, transparency, and yield for Florida government entities.

FL PRIME and FL SAFE are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79, Certain External Investment Pools and Pool Participants, which establishes criteria for an external investment pool to qualify for making the election to measure all of its' investments at amortized cost for financial reporting purposes.

Qualifying Local Government Investment Pools (LGIP) in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes, states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the LGIP can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

Regarding liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by FL PRIME or FL SAFE.

As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within FL PRIME and FL SAFE.

Custodial Risk

Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investment securities. PNC Bank, N.A., had demand deposits of $53,733 in two checking accounts. Republic Bank held $8,292 in a checking account and $97,513 in a money market. Other money market accounts included $7,398,990 in the PNC "sweep" account and $211,639 held in a Salem Trust. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. The City has U.S. government agencies held by Salem Trust in the City's name under a third-party safekeeping arrangement.

Credit Risk

Credit risk is the risk resulting from potential default of investments that are not financially sound. The City of Temple Terrace limits its credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. The City's investment policy does not require ratings for U.S. Treasury or Agency securities backed by the full faith and credit of the United States government. Government Sponsored Enterprises must maintain at least two AAA/Aaa/AAA long-term credit ratings from Standard & Poor's, Moody's, or Fitch, respectively.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the quantity of investments in a single issuer. To limit concentration of credit risk, the City's investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type. Of the total $57,365,609 available to invest, $89,118 (or 0.16%) was invested in U.S. government agencies, which are limited to 75% of the portfolio. The investment policy requires that each individual government security and Corporations issued cannot be more than 5% of the City's total assets. Other investment types, excluding cash in bank, have individual authority of 10% to 25%, except for LGIP's, which can represent an individual issue of 50% of the portfolio balance. U.S. Treasury can be at 100%. The PNC money market "Sweep" and the Republic Money Market accounts holdings were at 11.79% of the portfolio at year's end. The City will explore options for diversification of funds in FY 2026. At the time of purchase each individual issue complied with the policy based on the amount of investable cash at the time.

Investment Type	Credit Rating	Fair Value	Percentage of Total Pooled Investments
Government National Mortgage Association	AA+	$ 89,118	0.15%
Salem Trust - money market	AA+	211,639	0.37%
FL Prime - local government investment pools	AAAm	20,328,292	35.28%
FL SAFE - local government investment pools	AAAm	30,162,980	52.34%
Money market accounts	No Rating	7,496,503	13.01%
Bank deposits	No Rating	(684,593)	-1.19%
Petty cash on hand	No Rating	20,294	0.04%
Total city investements		$ 57,624,233	100%

Interest Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy recognizes that the longer a maturity of an investment, the greater its price volatility, so the policy limits risk by requiring investments of current operating funds to have average maturities of no longer than 12 months and all investments to have an average maturity of 5 years or less.

Pension Trust Funds Deposits and Investments

The City's Pension Trust Funds maintained cash and investment balances of $96,319,383 as of September 30, 2025, all of which is with fiscal agents. The Pension Fund Investment Policy, as mandated by City Ordinance, permits the investment of Police and Fire Pension Fund assets in stocks and bonds of publicly held companies provided no investment in any one stock exceeds 5% of the total equity portfolio at the time of purchase. In addition, the policy limits the aggregate of all investments in common stocks and convertible bonds to 70% of the total plan assets at market, separately for the Fire Pension and Police Pension Trust. Real estate pooled investments cannot exceed 10% of plan assets at cost.

Custodial Credit Risk

The Police and Fire Pension Plans have U.S. treasury bonds, notes and bills, federal agency guaranteed securities, common stocks, corporate bonds, money market funds, and real estate and international equity funds held by Salem Trust in the City's pension plan name under a third-party safekeeping arrangement. Pooled investments may be governed separately.

Credit Risk

Credit risk is the risk resulting from potential default of investments that are not financially sound. The police and fire pension funds limit their credit risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. Pension fund investment in fixed income investments must have a minimum "investment grade" rating from a major credit rating service. Both pension plans comply with the policy that all fixed income securities must be rated investment grade by a national agency.

The equities of the pension funds must be traded on a national exchange or electronic network. The corporate bonds in the pension trust funds were rated at least A3 by Moody's Investor Services and BBB+ by Standard and Poor's. The average credit quality of the portfolio by Moody's is A3 while S&P average is AA and the percentage of the portfolio that has a AAA with Moody's or an AA+ by S&P is 72.0% for fire and 72.0% for police.

Concentration of Credit Risk

2025 Firefighter Pension Investments

The Firefighter Pension Plan investment policy also requires that investments in corporate common stock and convertible bonds shall not exceed 70% of the Plan assets at market. Real estate investments cannot exceed 15% of Plan assets at cost. In addition, not more than 5% of the Plan's assets, at the time of purchase, shall be invested in fixed income. The value of bonds issued by any single corporation shall not exceed 3% of the total fund. Of the total Fire Pension Fund cash and investments, $1,078,520 (or 2.20%) was invested in cash and cash equivalents. Common stock securities total $12,328,957 (or 42.67%). Real estate investments are $4,816,326 (or 9.81%).

2025 Firefighter Pension Investment

Investment Type	Credit Rating	Fair Value	Percentage of Total Pooled Investments
U.S. Treasury Bonds, Notes & Bills	AAA	$ 4,970,099	10.12%
Federal agency guaranteed securities	AAA	4,524,477	9.21%
Corporate bonds	A -	436,846	0.89%
Common stocks	No rating	12,328,957	25.10%
Mutual funds	No rating	20,954,382	42.67%
Real estate funds	No rating	4,816,326	9.81%
Cash and cash equivalent	No rating	1,078,520	2.20%
Total Fire Pension investements		$ 49,109,607	100%

2025 Police Pension Investments

To limit the concentration of credit risk, the police investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type. Per the policy, investments in corporate common stock and convertible bonds shall not exceed 70% of the plan assets at market. Real estate investments cannot exceed 15% of plan assets at cost. In addition, not more than 5% of the plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any issuing company. The value of bonds issued by any single corporation shall not exceed 3% of the total fund.

Of the total $47,209,776 Police Pension Fund cash and investments, $1,448,003 (or 3.07%) was invested in cash and cash equivalents. Common stock securities total $9,612,810 (or 20.36%), which are limited to 70% of the portfolio. Real estate investments are $4,118,445 (or 8.72%) of total plan assets.

2025 Police Pension Investments

Investment Type	Credit Rating	Fair Value	Percentage of Total Pooled Investments
U.S. Treasury Bonds, Notes & Bills	AAA	$ 4,487,634	9.51%
Federal agency guaranteed securities	AAA	4,617,724	9.78%
Corporate bonds	A -	347,290	0.74%
Common stocks	No rating	9,612,810	20.36%
Mutual funds	No rating	22,577,870	47.82%
Real estate funds	No rating	4,118,445	8.72%
Cash and cash equivalent	No rating	1,448,003	3.07%
Total Police Pension investements		$ 47,209,776	100%

Interest Rate Risk

The City's Pension Trust Fund does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the Police and Fire Pension funds is measured against various nationally recognized benchmarks depending on the category. As of September 30, 2025, the average duration of the funds is 5.3 years for police and fire.

City Cash and Investments Detail

Category	Amount
City cash and investments	
Petty Cash - all funds	$ 1,494
Petty Cash - emergency operations	18,800
PNC Bank - operating account	(706,832)
PNC Bank - EMS account	13,947
Republic Bank - operating	8,292
Republic Bank - money market	97,513
Florida SAFE	30,162,980
Florida Prime	20,328,292
Salem Trust - money market	211,639
PNC Bank money market account	7,398,990
U.S. Government & Agency securities	89,118
Subtotal city cash and investments	57,624,233
Pension trust funds	
Cash and cash equivalents	2,526,523
U.S. Government bonds/notes	9,457,733
Federal agency guaranteed securities	9,142,201
Corporate bonds	784,136
Common stocks	21,941,767
Mutual funds	43,532,252
Pooled/common/commingled funds/real estate	8,934,771
Subtotal pension trust funds	96,319,383
Total cash and investments	$153,943,616
Cash and investments - primary government and fiduciary funds	
Pooled cash and investments - primary government	$ 57,624,233
Police Officers' Retirement Plan	47,209,776
Firefighters' Retirement Plan	49,109,607
Total cash and investments	$153,943,616

Fair Value Measurement

The City and the pension trust funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments are reported at fair value other than those using Net Asset Value ("NAV") or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value determination, other than those measured using the NAV as a practical expedient, are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The City had the following recurring fair value measurements comprised of investments as of September 30, 2025:

2025 Fair Value Measurements

Investment Type	Fair Value	FY 2025 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	FY 2025 Fair Value Measurements Using Significant Observable Inputs (Level 2)
U.S. Government & agency securities	$ 89,118	$ -	$ 89,118
Money market mutual fund	211,639	N/A	N/A
Money market accounts	7,496,503	N/A	N/A
Local government investment pools	50,491,272	N/A	N/A
Demand deposits	(684,593)	N/A	N/A
Petty cash on hand	20,294	N/A	N/A
Total cash equivalents and investments	$ 57,624,233	$ -	$ 89,118

The firefighter pension plan had the following recurring fair value measurements comprised of investments as of September 30, 2025:

2025 Firefighter Fair Value Measurements

Investment Type	Fair Value	FY 2025 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	FY 2025 Fair Value Measurements Using Significant Observable Inputs (Level 2)
U.S. Government Obligations	$ 4,970,099	$ -	$ 4,970,099
Federal agency securities	4,524,477	-	4,524,477
Corporate bonds	436,846	-	436,846
Common stocks	12,328,957	12,328,957	-
Mutual funds	20,954,382	20,954,382	-
Subtotal	43,214,761	33,283,339	9,931,422
Investments measured at net asset value (NAV):			
Real estate commingled fund	4,816,326	N/A	N/A
Money market funds	1,078,520	N/A	N/A
Subtotal	5,894,846	-	-
Total Fire cash equivalents and investments	$ 49,109,607	$ 33,283,339	$ 9,931,422

Debt and equity securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices.

The police pension plan had the following recurring fair value measurements comprised of investments as of September 30, 2025:

2025 Police Fair Value Measurements

Investment Type	Fair Value	FY 2025 Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	FY 2025 Fair Value Measurements Using Significant Observable Inputs (Level 2)
U.S. Government Obligations	$ 4,487,634	$ -	$ 4,487,634
Federal agency securities	4,617,724	-	4,617,724
Corporate bonds	347,290	-	347,290
Common stocks	9,612,810	9,612,810	-
Mutual funds	22,577,870	22,577,870	-
Subtotal	41,643,328	32,190,680	9,452,648
Investments measured at net asset value (NAV):			
Real estate commingled fund	4,118,445	N/A	N/A
Money market funds	1,448,003	N/A	N/A
Subtotal	5,566,448	-	-
Total Police cash equivalents and investments	$ 47,209,776	$ 32,190,680	$ 9,452,648

Other information for investments measured at the NAV or its equivalent for the police officer and firefighter pension plans is as follows:

2025 Other Information

Category	Fair Value Police Officer Pension Plan	Fair Value Fire Fighter Pension Plan	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate commingled fund	4,118,445	4,816,326	-	Quarterly	Daily
Total Investments Measured at NAV	$ 4,118,445	$ 4,816,326	$ -		

Real Estate Funds

The American Core Realty Fund (ARA Core Property Fund) is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The Fund invests primarily in core institutional quality industrial, multi-family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk. The investment objectives of the U.S. Real Estate Investment Fund are to invest in a pool of real estate assets that are diversified by geography and property type with a focus on yield-driven investment and, to a lesser extent, on value-added investments. The manager of the fund is Intercontinental Real Estate Corporation. TerraCap Management, LLC is a commercial real estate investment manager focused on value-add real estate acquisitions, predominantly in office space and apartments. TerraCap makes moderate strategic overweighting or underweighting to markets, depending on the specific economic drivers influencing supply and demand. TerraCap intends to invest in assets so that no economic industry base will be allowed to dominate any property or the portfolio’s performance

International Equity Fund

The investment objective of the RBC International Equity Fund is to provide long-term capital growth by investing primarily in equity securities of companies outside of North America. The fund provides exposure to economies that offer different business cycles and growth opportunities than North American markets.

Accounts Receivable

Accounts receivable are written off on an individual basis in the year the City deems them un-collectible Accounts receivable outstanding as of September 30, 2025, consists of the following:

2025 Accounts Receivable Detail

Governmental Activities

	General Fund	Street Improvement Fund	Non-Major Gov't Funds	Internal Service Fund	Total
Accounts Receivable	$ 88,712	$ -	$ -	$ 6,754	$ 95,466
Accounts Receivable - unbilled	21,229	-	-	-	21,229
Debt Receivable	2,267,099	-	-	-	2,267,099
Due from other funds	350,000	-	-	-	350,000
Lease Receivable	456,894	-	-	-	456,894
Ambulance Receivable	936,776		-	-	936,776
Due from other governments	562,078	6,510	101,804	-	670,392
Due from other agencies	688,242	-	-	-	688,242
Other receivables	561,942	1,394	2,123	56	565,515
Gross receivables	5,932,972	7,904	103,927	6,810	6,051,613
Less: allowance	(1,049,961)	-	-	-	(1,049,961)
Net receivables	$ 4,883,011	$ 7,904	$ 103,927	$ 6,810	$ 5,001,652

Business-Type Activities

	Water & Sewer Utility Fund	Sanitation Fund	Total
Accounts Receivable	$ 2,977,122	$ 406,404	$ 3,383,526
Accounts Receivable - unbilled	867,880	354,810	1,222,690
Other receivables	3,791	5,765	9,556
Gross receivables	3,848,793	766,979	4,615,772
Less: allowance	(322,532)	(84,600)	(407,132)
Net receivables	$ 3,526,261	$ 682,379	$ 4,208,640

Lease Receivable

The primary objective of GASB Statement No. 87, Leases (GASB 87) is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

In March 1996, the City entered into a lease agreement with PCS Primeco, now Verizon Wireless, for approximately 600 feet of land immediately west of Fire Station #1; the space is the site of a 120-foot cell tower that accommodates the City's public safety communication and Verizon wireless customers. In 2008, the space was expanded to 1,305 square feet and a new 150-foot cell tower was installed. At that time, the lease agreement was amended, and the annual lease amount paid to the City increased from $7,500 to $18,000 with 4% annual increases thereafter. The City also was to receive 50% annually, or a minimum of $7,500 per sub-lessee, of tower sublease revenue earned by Verizon. The annual amount for this lease agreement, currently around $100,000, is material and is reported in the FY 2025 financial statements, in accordance with GASB requirements, to recognize a lease receivable and a deferred inflow of resources.

The future principal and interest lease payments to maturity as of September 30, 2025, were as follows:

Future Principal and Interest Lease Payments

Fiscal Year	Principal Pay	Interest Pay	Total Pay
2026	$ 49,327	$ 11,843	$ 61,170
2027	52,923	10,441	63,364
2028	56,701	8,939	65,640
2029	60,668	7,330	67,998
2030	64,833	5,609	70,442
2031-2033	172,442	5,730	178,172
Total	$ 456,894	$ 49,892	$ 506,786

Property Taxes

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation. The millage rate levied by the City for the fiscal year ended September 30, 2025, was 6.455 mills. Tax collections for the City were approximately 100% of the total tax levy, which includes current and delinquent.

The tax levy of the City is established by the City Council. Under Florida Law, the assessment of all properties and the collection of all county, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector.

Due from Other Governments

The following amounts were due from other governments as of September 30, 2025:

Amounts Due from Other Governments

Fund	Government Name	Revenue Source	Amount
General Fund	Hillsborough County	Hills tax excess fee	$ 71
General Fund	Hillsborough County	Quarterly interest	560
General Fund	Hillsborough County	Court fines	2,489
General Fund	Hillsborough County	Ad Valorem - delinquent	862
General Fund	State of Florida	EOC bldg grant	332,840
General Fund	State of Florida	Half-cent sales tax	215,129
General Fund	State of Florida	Alcohol/ beverage tax	9,850
General Fund	State of Florida	Re-employment tax	137
General Fund	State of Florida	Police reports	140
		Total General Fund	562,078
Street Improvement Fund	State of Florida	Fuel tax rebate	6,510
		Total Street Improvement Fund	6,510
Community Investment Fund	Hillsborough County	CIT tax	101,625
		Total Community Investment Fund	101,625
		Total all funds	$ 670,213

Capital Assets

Governmental Activities Capital Assets

During FYE 2024, the City embarked on a detailed audit of the capital asset module. The detailed audit continued in FY 2025. There were items that were not fully depreciated which did not meet the City's current threshold of $5,000, as well as items that were no longer used by the City. The amounts reported in additions/reductions and transfers in the table of capital assets by government and business-type function, below, include items such as transfers, disposals, additions and depreciation. The primary government's capital asset activity for the year ended September 30, 2025, was as follows:

Primary Capital Asset Activity

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable				
Land	$ 7,028,750	$ -	$ (3,460)	$ 7,025,290
Construction-in-progress	731,327	5,847,073	(2,020,020)	4,558,380
Total Assets not being depreciated	7,760,077	5,847,073	(2,023,480)	11,583,670
Depreciable				
Buildings and improvements	18,614,110	643,006	(333,444)	18,923,672
Improvements other than buildings	9,828,614	660,149	(694,582)	9,794,181
Machinery and equipment	18,379,295	3,012,713	(1,556,316)	19,835,692
Infrastructure	44,603,690	1,239,521	(253,486)	45,589,725
Right to use - subscription	893,246	304,888	(147,995)	1,050,139
Total capital assets being depreciated	92,318,955	5,860,277	(2,985,823)	95,193,409
Less accumulated depreciation				
Buildings and improvements	(9,279,171)	(786,570)	184,569	(9,881,172)
Improvements other than buildings	(4,464,457)	(388,944)	141,242	(4,712,159)
Machinery and equipment	(13,703,268)	(1,720,631)	1,410,009	(14,013,890)
Infrastructure	(19,955,144)	(973,935)	115,213	(20,813,866)
Right to use - subscription	(293,092)	(419,101)	147,994	(564,199)
Total accumulated depreciation	(47,695,132)	(4,289,181)	1,999,027	(49,985,286)
Net depreciable assets	44,623,823	1,571,096	(986,796)	45,208,123
Governmental activities capital assets , net	$ 52,383,900	$ 7,418,169	$ (3,010,276)	$ 56,791,793

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

Depreciation Expense - Governmental Activities – net of SBITA and transfers

Governmental Activities	Amount
General Government	$ 296,072
Public Safety	1,011,998
Culture and Recreation	848,732
Public Works and Streets	1,303,974
Total depreciation expense: governmental activities	$ 3,460,776

Business-Type Activities Capital Assets

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable				
Land	$ 1,093,384	$ -	$ -	$ 1,093,384
Construction-in-progress	4,939,493	5,787,961	(4,904,298)	5,823,156
Total Assets not being depreciated	6,032,878	5,787,961	(4,904,298)	6,916,541
Depreciable				
Buildings and improvements	2,762,980	91,605	(289,074)	2,565,511
Improvements other than buildings	893,836	-	(77,359)	816,477
Machinery and equipment	8,235,319	2,275,273	(319,306)	10,191,286
Infrastructure	51,680,281	5,700,826	(1,714,034)	55,667,073
Total capital assets being depreciated	63,572,416	8,067,704	(2,399,773)	69,240,347
Less Accumulated Depreciation				
Buildings and improvements	(2,240,423)	(166,751)	404,170	(2,003,004)
Improvements other than buildings	(108,864)	(81,648)	-	(190,512)
Machinery and equipment	(6,682,094)	(896,326)	504,146	(7,074,274)
Infrastructure	(29,039,183)	(1,209,713)	638,997	(29,609,899)
Total accumulated depreciation	(38,070,564)	(2,354,438)	1,547,313	(38,877,689)
Net depreciable assets	25,501,852	5,713,266	(852,460)	30,362,658
Governmental activities capital assets , net	$ 31,534,730	$ 11,501,227	$ (5,756,758)	$ 37,279,199

Depreciation/amortization expense was charged to functions/programs of the business-type funds as follows:

Depreciation Expense—Business Activities, net of SBITA and transfers

Business-Type Activities - Net Disposals	Amount
Water Operations - net	$ 841,685
Sewer Operations - net	760,504
Commercial Sanitation Operations - net	162,752
Residential Sanitation Operations - net	86,890
Total depreciation expense: business-type activities	$ 1,851,831

Construction in Progress

Government Activities

Project Number/ Code	Fund	Description	In-Progress Amount
PSBUIL	General Fund	Public Safety Building	$ 25,397
24WIN	General Fund	FS1 & FS2 Wind Retrofit	571,280
EOCBLG	General Fund	Emergency Operations Center Bldg	456,641
		Total general fund	1,053,318
23E127	Street Improvement	127th Ave Stmwtr – ARPA	156,807
22MAYB	Street Improvement	Maybole Pl/Riverhills Dr Stormwater Project	1,655,918
22BREG	Street Improvement	Bregar Drive & Bannockburn Stmwtr – ARPA	825,143
ARPASW	Street Improvement	Stormwater Maintenance	112,182
25GRAP	Street Improvement	Glen Ridge Ave Pipe Lining	18,997
25SUNN	Street Improvement	Sunnyside Road	67,813
25BREN	Street Improvement	Brentwood	32,023
		Total street improvement	2,868,883
24WIN	Community Investment Tax	FS1 & FS2 Wind Retrofit	167,417
FRECPR	Community Investment Tax	Family Rec. Center Perimeter Road	41,869
CHREN	Community Investment Tax	City Hall Renovations	4,550
BDDY2	Community Investment Tax	Buddy Baseball Field 2	72,607
RVSDPK	Community Investment Tax	Riverside Park	349,736
		Total community investment tax fund	636,179
		Total governmental construction-in-progress	$ 4,558,380

Business-Type Activities from the Water and Sewer Utility Funds

Project Number/ Code	Fund	Description	In-Progress Amount
ARPA1	Water & Sewer Utility	Whiteway Utility Service Center – ARPA	$ 1,374,692
25FOWL	Water & Sewer Utility	7013 E Fowler Sewer	2,910,218
25CDGA	Water & Sewer Utility	54th Water Main – CDBG	11,861
TELEWT	Water & Sewer Utility	Telecom Water Tank	39,098
QUEFOW	Water & Sewer Utility	Queensway/Fowler Gravity Main	24,481
21BBAI	Water & Sewer Utility	Bonnie Brae Area Improvements	165,386
21BGAA	Water & Sewer Utility	Bannockburn/Downs Ave Improvement	184,853
21CPSI	Water & Sewer Utility	Chinaberry Pump Station Improvement	777,827
22RRLS	Water & Sewer Utility	River Run Lift Station	84,075
24LSSB	Water & Sewer Utility	Sierra Bravo	193,482
24IHYP	Water & Sewer Utility	iHydrant Project	38,124
25FHRK	Water & Sewer Utility	Fire Hydrant Repair	19,059
		Total business-type construction-in-progress	$ 5,823,156

Liabilities

Pension Plan Obligations

Employee Pension Plans

The City participates in four employee pension systems as follows:

Employee Pension Plans

Name of Plan/System	Type of Plan
Temple Terrace Firefighter's Retirement System (TTFFRS)	Defined benefit plan - Retirement Trust Fund
Temple Terrace Police Officer's Retirement System (TTPORS)	Defined benefit plan - Retirement Trust Fund
Florida Retirement System (FRS)	Cost-sharing multiple employer, defined benefit pension plan
Retiree Health Insurance Subsidy (HIS)	Cost-sharing multiple employer, defined benefit pension plan

2025 Pension Plan Deferred Outflows, Inflows, Liability, Expense

Pension Plan	Deferred Outflows	Deferred Inflows	Net Pension Asset (Liability)	Pension Expense (Income)
Firefighter's Pension System	$ 1,007,064	$ (1,485,132)	$ (8,097,726)	$ 1,572,929
Police Officer's Pension System	1,364,575	(1,707,462)	(17,047,473)	2,440,882
Florida Retirement System	60,364	(193,872)	(208,156)	(74,592)
Retiree Health Ins. Subsidy	3,378	(112,049)	(99,279)	250,659
Total	$ 2,435,381	$ (3,498,515)	$ (25,452,634)	$ 4,189,878
Statements				
Governmental	$ 2,420,834	$ (3,428,703)	$ (25,382,480)	$ 4,130,015
Business-type	14,547	(69,812)	(70,154)	59,863
Total	$ 2,435,381	$ (3,498,515)	$ (25,452,634)	$ 4,189,878

Summary of Significant Accounting Policies for Retirement Plans

Defined Benefit Plans

The City maintains two separate single employer pension plans for firefighters and police officers that are maintained as Pension Trust Funds and included as part of the City's reporting entity.

Plans covering firefighters and police officers are contributory. Employee contributions made by firefighters and police officers are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination.

The plans were amended during fiscal year ended September 30, 1998, to provide for Deferred Retirement Option Plan (DROP). A plan participant who is eligible to receive a normal retirement pension may elect to defer receipt of such retirement benefits and participate in the DROP. The participant may elect to continue employment from 12 to 60 months, while his/her pension benefit is invested in the plan.

Basis of Accounting

The Firefighters' and Police Officers' Retirement Trust Fund's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Firefighters' Retirement

Plan Description

The City's Firefighters' Retirement Trust Fund has been established to conform to the Retirement Trust Fund provisions of Chapter 175 of the State of Florida Statutes, as modified by local ordinance. This is a defined benefit plan, which is administered by the City of Temple Terrace Firefighters' Retirement Trust Fund Board, which is made up of two firefighters, the Mayor, City Manager, and a resident of the City and covers all full-time firefighters. The Firefighters' Retirement Trust Fund does not issue a separate stand-alone financial report; however, GAAP financial reports for all of the pension plans are provided. The Plan provides retirement, termination, disability and death benefits.

No benefit changes have been reflected since the prior year.

Contributions

The City's contribution to the fund is determined annually by actuarial valuation. The City contribution of $2,122,169 for FY 2025 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for FY 2025 amounted to $262,552. The City recognized these on-behalf payments from the State as revenue and expenditure within the Insurance Premium Tax Fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in FY 2025. The State's contribution represents a portion of the 1.85% tax on all property insurance premiums collected within the City limits. Firefighters contribute 10.51% of gross salary to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminates employment prior to retirement. The City funds the cost of plan administration.

Firefighters' Load for Minimum Required Contributions

Method	Rate
Interest	A half year - 7.40% Assumption
Salary	A full year - 10.51% Assumption

On September 30, 2025, the Firefighters' Retirement Trust Fund membership consisted of:

Firefighters' Retirement Trust Fund Membership

Member Category	Number of Members
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	36
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	49
Total Members	93

Fire Net Pension Liability

The City's net pension liability was measured as of October 1,2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of net pension liability on September 30, 2025, are as follows:

Firefighters' Net Pension Liability

Category	Net Pension Liability
Total pension liability	$ 57,244,512
Plan fiduciary net position	(49,146,786)
City's net pension liability	$ 8,097,726
Plan fiduciary net position as a percentage of total pension liability	85.90%

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2025:

Sensitivity of the New Pension Liability to Changes in the Discount Rate—Firefighters' Pension

Pension Fund	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Firefighters' Net Pension Liability	$ 15,135,753	$ 8,097,726	$ 2,293,860

For the year ended September 30, 2025, the City recognized pension expense of $1,572,929 relating to the Firefighters' Plan. As of September 30, 2025, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Plan from the following sources:

Firefighters' Pension Plan Deferred Outflows of Resources and Deferred Inflows of Resources

Category	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 1,007,064	$ -
Changes of assumptions	-	459,273
Net difference between projected and actual earnings	-	1,025,859
Total	$ 1,007,064	$ 1,485,132

The amounts reported above as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense in the future as follows:

Firefighters' Pension Plan Deferred Outflows of Resources and Deferred Inflows of Resources Year Ending September 30

Year	Amount
2026	$ 852,362
2027	(820,564)
2028	(521,990)
2029	12,124
2030	-
Thereafter	-
Total	$ (478,068)

Firefighters' Pension Annual Money-Weighted Rate of Return Net of Investment Expense Year Ending September 30

Fiscal Year Ended	Percentage
September 30, 2025	7.29%

Support for Long-Term Expected Rate of Return

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 weighing the expected future real rates of return by 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:

Firefighters' Pension Long-Term Expected Real Rate of Return

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	45.00%	7.50%
International equity	15.00%	8.50%
Broad market fixed income	20.00%	2.50%
Fixed income (non-core)	2.50%	2.50%
Global fixed income	2.50%	3.50%
Real estate	15.00%	4.50%
Total	100.00%	
Inflation rate of investment advisor	2.50%	

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

Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of October 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Firefighters' Pension Actuarial Assumptions

Valuation Date	Measurement & Reporting Date Sep-30-2025
Discount Rate	7.40%
Long-Term Rate of Return	7.40%
Cost Method	Entry Age Normal
Recent Experience Study	May-12-2021
Mortality	
Healthy Active Lives	Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year
Healthy Retiree Lives	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year
Beneficiary Lives	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set back 1 year
Disable Lives	Female: PubS-2010 for Disable Retirees, set forward 1 year Male: PubS-2010 for Disabled Retirees
	All Rates are projected generationally with Mortality Improvement Scale MP-2021
	The previously describe 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
Salary Scale	Service Based - 8.5% in first year of employment and 5.5% for those with 1 year or more years of Credited Service until the assumed retirement age. This is based on the results of the May 12, 2021 actuarial experience study.
Payroll Growth	1.5% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes
Administrative Expenses	Based on the average of actual expenses incurred in the prior two fiscal years.
Inflation	2.50%
	90% of active deaths are assumed to be service incurred.

Fire Disability Rates

Age of Participant	Disability %
20	0.30%
30	0.40%
40	0.70%
50	1.80%

Fire Termination Rates

Service Years	Terminating %
0 - 1	10%
2 - 4	6%
5 - 9	5%
10 +	2%

Retirement Assumptions

No early retirement is assumed. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the May 12, 2021 experience study.) For normal retirement, 50% at first eligibility (earlier of age 54 and 10 years of service or 20 years of service, regardless of age) and 100% at one year following first eligibility or later. This is based on the results of the May 12, 2021 actuarial experience study.

Changes in Assumptions

Total Pension Liability as of the September 30, 2025 measurement date reflects the following assumption change:

- As mandated by Chapter 2015-157, Laws of Florida, the mortality rates were updated to align with those outlined in Milliman's July 1, 2024 FRS valuation report for special-risk employees.

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current 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 actuarily 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 (7.40%) 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 4.5%. The high-quality municipal bond rate was based on the daily rate closes to, but not later that the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index. The single equivalent Discount Rate was 7.40%

Deferred Retirement Option Program (DROP)

Eligibility	Satisfaction of Normal Retirement Requirements
Participation	Not to exceed 96 months.
Rate of Return	A participant's election (may change once during DROP period): (1) Actual net rate of investment return (total return net of management fees, brokerage commissions and transaction costs) credited each fiscal quarter (less 2.00% perannum from 60 to 96 months), or (2) 6.5$ fixed per annum (3.00% from 60 to 96 months), convertible monthly.
DROP balance	The DROP balance as of September 30, 2025 is $1,673,131

Police Officers’ Retirement

Plan Description

The City's Police Officers' Retirement Trust Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the State of Florida Statutes, as modified by local ordinance. This is a defined benefit plan which is administered by the City of Temple Terrace Police Officers' Retirement Trust Fund Board which is made up of two police officers, the Mayor, City Manager, and a resident of the City, and covers all full-time sworn police officers. The Police Officers’ Retirement Trust Fund does not issue a separate stand-alone financial report. The Plan provides retirement, termination, disability and death benefits.

Contributions

The City's contribution to the fund is determined annually by actuarial valuation. The City contribution of $2,204,398 for 2025 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for FY 2025 amounted to $797,901. The City recognized these on-behalf payments from the State as revenue and expenditure within the Insurance Premium Tax Fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in FY 2025. The State's contribution represents a portion of the 0.85% tax on all casualty insurance premiums collected within the City limits. Police Officers contribute 11.2% of gross and eligible earnings (merit, overtime, special pay) to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminated employment prior to retirement. The City funds the cost of plan administration.

Police Officers' Load for Minimum Required Contributions

Method	Rate
Interest	A half year - 7.40% Assumption
Salary	A full year - 11.20% Assumption

On September 30, 2025, the Police Officers' Retirement Trust Fund membership consisted of:

Police Officers' Retirement Trust Fund Membership

Member Category	Number of Members
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	59
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	9
Active Plan Members	52
Total Members	120

Police Net Pension Liability

The City's net pension liability was measured as of October 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of net pension liability on September 30, 2025, are as follows:

Police Net Pension Liability

Category	Net Pension Liability
Total pension liability	$ 64,231,044
Plan fiduciary net position	(47,183,571)
City's net pension liability	$ 17,047,473
Plan fiduciary net position as a percentage of total pension liability	73.53%

The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2025:

Sensitivity of the New Pension Liability to Changes in the Discount Rate - Police Officers' Pension

Pension Fund	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Police Officers' Net Pension Liability	$ 25,212,146	$ 17,047,473	$ 10,365,337

For the year ended September 30, 2025, the City recognized pension expense of $2,440,882 relating to the Police Officers' Plan. As of September 30, 2025, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Police Officers' Plan from the following sources:

Police Officers' Pension Plan Deferred Outflows of Resources and Deferred Inflows of Resources

Category	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 925,705	$ -
Changes of assumptions	438,870	-
Net difference between projected and actual earnings	-	1,707,462
Total	$ 1,364,575	$ 1,707,462

The amounts reported above as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense in the future as follows:

Police Officers' Pension Plan Deferred Outflows and Inflows of Resources Year Ending September 30

Year	Amount
2026	$ 1,269,422
2027	(589,953)
2028	(896,203)
2029	(126,153)
2030	-
Thereafter	-
Total	$ (342,887)

Police Officers' Pension Annual Money-Weighted Rate of Return Net of Investment Expense Year Ending September 30

Fiscal Year Ended	Percentage
September 30, 2025	8.93%

Support for Long-Term Expected Rate of Return

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 weighing the expected future real rates of return by 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:

Police Officer's Pension Long-Term Expected Real Rate of Return

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Broad Market Fixed Income	20.00%	2.50%
Fixed Income (Non-Core)	5.00%	2.50%
Real Estate	15.00%	4.50%
Total	100.00%	
Inflation rate of investment advisor	2.50%	

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

Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of October 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Police Officers' Pension Actuarial Assumptions

Valuation Date	Measurement & Reporting Date Sep-30-2025
Discount Rate	7.40%
Long-Term Rate of Return	7.40%
Cost Method	Entry Age Normal
Recent Experience Study	May-11-2022
Mortality	
Healthy Active Lives	Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year
Healthy Retiree Lives	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year
Beneficiary Lives	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set back 1 year
Disable Lives	Female: PubS-2010 for Disable Retirees, set forward 1 year Male: PubS-2010 for Disabled Retirees
	All Rates are projected generationally with Mortality Improvement Scale MP-2021
	The previously describe 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
Salary Scale	Service Based
Cost-of-Living Increases	3% per year beginning at age 56 (for Members eligible for NR as of July 1, 2012 3% per year beginning on October 1, 2032 (for future Retirees not eligible for NR as of July 1, 2012).
Administrative Expenses	Based on the average of actual expenses incurred in the prior two fiscal years.
Inflation	2.50%
	75% of active deaths are assumed to be service-incurred.

Police Disability Rates

Age of Participant	Disability %
20	0.07%
30	0.11%
40	0.19%
50	0.51%
60	1.66%

This assumption was reviewed in the May 11, 2022, experience study and deemed appropriate. It is assumed that 75% of disablements are service related.

Police Termination Rates

Service Years	Terminating %
0	15%
1 -5	9%
6 - 10	8%
11 - 15	4%
16 +	1%

The assumption above was adopted with the May 11, 2022 experience study and will be phased in over 5 years.

Retirement Assumptions

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. This assumption was adopted based on the November 21, 2016 experience study.

100% at first eligibility for Normal Retirement (Age 55 with 10 years of Credited Service or 20 years of Credited Service, regardless of age). This assumption was adopted based on the November 21, 2016 experience study, and modified in conjunction with the November 11, 2021 actuarial impact statement.

Changes in Assumptions

Total Pension Liability as of the September 30, 2025 measurement date reflects the following assumption change:

- As mandated by Chapter 2015-157, Laws of Florida, the mortality rates were updated to align with those outlined in Milliman's July 1, 2024 FRS valuation report for special-risk employees.

Development of the Discount Rate

The projection of cash flows used to determine the Discount Rate assumed that current 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 actuarily 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 (7.40%) 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 4.5%. The high-quality municipal bond rate was based on the daily rate closes to, but not later that the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index. The single equivalent Discount Rate was 7.40%

Deferred Retirement Option Program (DROP)

Eligibility	Satisfaction of Normal Retirement Requirements: earlier of (1) age 55 and 10 years of service, or (2) 20 years of service, regardless of age.
Participation	Not more than 96 months.
Rate of Return	At the Member's election: (1) 3.0% annual rate compounded quarterly (6.5% once funded ratio is 80%), or (2) actual net rate of investment return (total return net of brokerage commissions, management fees and transactions costs) credited each fiscal quarter. The Member may change the method once during the DROP period.
	From 60 to 96 months, the choice is the net investment return less a 2.0% annualized rate or a fixed 3.0% annual rate
DROP balance	The DROP balance as of September 30, 2025 is $398,583

Changes in Net Pension Liability and Related Ratios

Category	Firefighters' Sep-30-25	Police Officers' Sep-30-25
Total pension liability		
Service cost	$ 1,245,311	$ 1,101,047
Interest	3,844,084	4,260,986
Share plan allocation	106,340	-
Differences between expected & actual experience	733,285	1,106,573
Changes of assumptions	(612,363)	658,305
Contributions–buy back	1,977	-
Benefit payments, increase employee contribution refunds	(2,227,844)	(3,427,485)
Net change in total pension liability	3,090,790	3,699,426
Total pension liability-beginning	54,153,722	60,531,618
Total pension liability-end	$ 57,244,512	$ 64,231,044
Plan fiduciary net position		
Contributions–employer	$ 2,122,169	$ 2,204,398
Contributions–sate	368,892	797,901
Contributions–employee	516,565	570,209
Contributions–buy back	1,977	-
Net investment income	3,144,250	3,674,607
Benefit payments, including employee contribution refunds	(2,227,844)	(3,427,485)
Administrative expense	(70,914)	(69,199)
Net change in plan fiduciary net position	3,855,095	3,750,431
Plan fiduciary net position-beginning	45,291,691	43,433,140
Plan fiduciary net position-ending	49,146,786	47,183,571
Net pension liability-ending	$ 8,097,726	$ 17,047,473
Plan fiduciary net position as a percentage of the total pension liability	85.90%	73.53%
Covered payroll	$ 4,913,955	$ 5,091,154
Net pension liability as a percentage of covered payroll	164.79%	334.84%

Combining Statement of Fiduciary Net Position Firefighters' and Police Officers' Pension Trust Funds

Category	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Assets			
Money markets funds (cash/cash equivalents)	$ 1,448,003	$ 1,078,520	$ 2,526,523
Receivables			
Investment income	53,223	42,204	95,427
Total receivables	53,223	42,204	95,427
Investments at fair value			
U.S. Treasury Bonds, notes and bills			
Federal agency guaranteed securities	9,105,358	9,494,576	18,599,934
Corporate bonds	347,290	436,846	784,136
Common stocks and mutual funds	11,139,508	14,155,443	25,294,951
Other pooled/commingled funds	25,169,617	23,944,222	49,113,839
Total investments	45,761,773	48,031,087	93,792,860
Total assets	47,262,999	49,151,811	96,414,810
Liabilities			
Payables			
Refunds of member contributions	30,063	-	30,063
Investment expenses	24,826	5,025	29,851
Administrative and other	24,539	-	24,539
Total payables	79,428	5,025	84,453
Total liabilities	79,428	5,025	84,453
Net position restricted for pensions	$ 47,183,571	$ 49,146,786	$ 96,330,357

Police Officers' and Firefighters' Pension Trust Funds

Category	Police Officers' Retirement Fund	Firefighters' Retirement Fund	Total
Additions			
Contributions			
State tax on insurance premiums	$ 570,209	$ 368,892	$ 939,101
Contributions–employer	2,204,398	2,122,169	4,326,567
Contributions–employee	797,901	516,565	1,314,466
Buy-back	-	1,977	1,977
Total contributions	3,572,508	3,009,603	6,582,111
Investment Income			
Net appreciation in fair value of investments	1,863,311	2,214,530	4,077,841
Interest and dividends	2,042,334	1,251,809	3,294,143
Total investment income	3,905,645	3,466,339	7,371,984
Investment Expense	(140,766)	(231,817)	(372,583)
Net Investment Income	3,764,879	3,234,522	6,999,401
Total additions	7,337,387	6,244,125	13,581,512
Deductions			
Pension benefits	3,024,560	1,835,103	4,859,663
Termination refunds	315,746	-	315,746
Other	156,378	463,655	620,033
Total deductions	3,496,684	2,298,758	5,795,442
Change in net position	3,840,703	3,945,367	7,786,070
Net position–beginning	43,342,868	45,201,419	88,544,287
Net position–ending	$ 47,183,571	$ 49,146,786	$ 96,330,357

Retirement Systems

Florida Retirement System (FRS) and Retiree Health Insurance (HIS) Program

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple- employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

All non-uniformed full-time employees of the City hired prior to January 1, 1996, participate in the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site www.dms.myflorida.com.

The City's net pension expense totaled $176,067. The FRS Pension Plan accounts for income of $74,592 and the HIS Plan amounted to expense of $250,659 for the year ended September 30, 2025.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple- employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
    - Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class
    - Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC)
    - Members in senior management level positions.
- Special Risk Class
    - Members who are special risk employees meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. These employer contribution rates include 2.00% HIS Plan subsidy through September 30, 2025. The City's contributions to the FRS Plan were $40,046 for the year ended September 30, 2025. The employer contribution rates by job class for the periods from October 1, 2024, through June 30, 2025, and from July 1, 2025, through September 30, 2025, respectively, were applied to employee salaries as follows:

- Regular – 13.57% and 13.97%
- Senior Management Service – 34.46% and 33.18%
- DROP participants – 21.13% and 22.02%

Pension Costs

As of September 30, 2025, the City reported a liability of $208,156 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers. On June 30, 2025, the City's proportion was 0.000670715% which was a decrease from its proportion measured as of June 30, 2024, of 0.000830997%

For the year ended September 30, 2025, the City recognized pension income of $74,592 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Florida Retirement Deferred Outflows and Deferred Inflows

Category	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	$ 22,234	$ -
Changes in Actuarial Assumptions	24,173	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	34,754
Between Entity Contributions and Proportionate Share of Contributions	-	159,117
City Contributions Subsequent to the Measurement Date	13,957	-
Total	$ 60,364	$ 193,871

The $13,957 reported as deferred outflows of resources related to pensions resulting from City's contributions to the FRS Plan subsequent to the measurement date. The contributions made after the measurement date of the net pension liability, but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current period. Therefore, they will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Other Amounts Reported as Deferred Outflows–Increase and Inflows–(Decrease) of Resources Related to Pensions</u>

Year Ended September 30, 2025		Amount
2026	$	(56,435)
2027		(26,662)
2028		(38,540)
2029		(16,439)
2030		935
Thereafter		-
Total	$	(137,141)

Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement period:

- Inflation
  - 2.40% per year
- Cost of living adjustments and Salary Increases
  - Salary increases vary, cost of living is 3.00% for pre-July 2011, 0% thereafter
- Investment Rate of Return
  - 6.70% Net of Pension Plan Expense, Including Inflation

Mortality rates were based on the PUB2010 base table varied by member category and sex, projected generationally with scale MP-2021. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study of the FRS for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

FRS Target Allocation

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.00%	3.20%
Fixed income	29.00%	5.50%
Global equity	45.00%	8.50%
Real estate (property)	12.00%	8.40%
Private equity	11.00%	12.40%
Strategic investments	2.00%	6.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate disclosed in the previous paragraph. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate.

The City's Proportionate Share of the FRS Pension Plan Net Pension Liability

Category	1% Decrease Rate 5.70%	Current Discount Rate 6.70%	1% Increase Rate 7.70%
FRS Pension Plan net pension liability	$ 408,505	$ 208,156	$ 40,188

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at http://www.dms.myflorida.com.

Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State- administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The City contributed 100% of its statutorily required contributions for the current and preceding 4 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were $6,923 for the year ended September 30, 2025.

Pension Costs

As of September 30, 2025, the City reported a liability of $99,279 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all participating employers. On June 30, 2025, the City's proportion was 0.000774562% which was a decrease from its proportion measured as of June 30, 2024, of (0.000908820%).

For the year ended September 30, 2025, the City recognized pension expense of $250,659 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Proportionate Share of HIS Deferred Outflows and Inflows of Resources

Category	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	$ 592	$ 157
Changes in actuarial assumptions	879	24,013
Net difference between projected and actual earnings on pension Plan investments	-	83
Changes in proportion and differences between entity Contributions and proportionate share of contributions	-	87,796
City contributions subsequent to the measurement	1,907	-
Total	$ 3,378	$ 112,049

The $1,907 reported as deferred outflows of resources related to pensions resulting from City's contributions to the FRS Plan subsequent to the measurement date. The contributions made after the measurement date of the net pension liability, but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current period. Therefore, they will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Other Amounts Reported as Deferred Outflows–Increase and Inflows–(Decrease) of Resources Related to Pensions

Year Ended September 30		Amount
2026	$	(42,947)
2027		(40,508)
2028		(30,409)
2029		(16,458)
2030		(7,115)
Thereafter		(1,117)
Total	$	(138,553)

Pension Liability Actuarial Assumptions

Category	**Assumption**
Inflation	2.40% per year
Salary Increases	3.50% Average, Including Inflation
Municipal Bond Rate	5.20%

The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement. Mortality rates were based on the Generational PUB-2000 with Projection Scale MP-2018. Because the HIS is funded on a pay-as-you go basis, no experience study has been done.

Discount Rate

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Long-Term Expected Rate of Return

As stated above, the HIS Pension Plan is essentially funded on a pay as you go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumption for cash flows into and out of the pension plan or assumed asset allocation.

Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

The City's Proportionate Share of the HIS Pension Plan Net Pension Liability

Pension Plan Net	1% Decrease Rate 4.20	Current Discount Rate 5.20	1% Increase Rate 6.20
HIS Pension Plan Net Pension Liability	$ 111,953	$ 99,279	$ 88,650

Defined Contribution Plan - 401(A) Retirement Plan

Plan Description

Beginning January 1, 1996, the City's new general employees participate in the ICMA Retirement Plan, which is qualified under Section 401(a) of the Internal Revenue Code. This is a money- purchase-retirement-program, administrated by the Retirement Corporation, providing vesting according to the following schedule:

Defined Contribution Plan Vesting Timeline

Employment Term	Vesting
After 2 years	20%
After 3 years	40%
After 4 years	60%
After 5 years	80%
After 6 years	100%

Plan Funding

The plan, as established by Resolution 186-95, applies to all employees, except public safety employees. The City contributes to the plan at a rate of 10% of employee salaries and wages which amount to $1,093,830 for FY 2024-2025. The plan is non-contributory, which means employees are not allowed to contribute to the plan, unless the plan is amended pursuant to Section 14.05. Normal retirement age is 59. A second plan was established on January 4, 1999, for the City Manager which exactly mirrors the general employee plan provisions described above except that the City Manager's plan provides immediate 100% vesting and has a contribution rate of 15%. This benefit was extended to the other Charter Offices (City

Attorney and City Clerk effective October 1, 2022. The Charter Officer's benefit amounted to $86,056 for the fiscal year. As of September 30, 2025, 173 general employees participated in the plan.

Deferred Compensation Plan

The City offers its employees a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457. The plan was established by City ordinance that appointed ICMA Retirement Corporation and Nationwide as plan administrators. The City's fiduciary responsibility is to remit employee deferred compensation to the administrator on a regular basis. The deferred compensation is not available to employees until termination, retirement, death, or emergency.

Post-Employment Benefit Obligations

Other Postemployment Benefits (OPEB) Plan Description

The City provides the following health-related benefits to retirees and certain other employees: (1) The City is required by Florida Statute 112.0801 to allow retirees and certain other former employees to buy healthcare coverage at the same "group insurance rates" current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an "implicit subsidy" for retirees. (2) The City offers multiple health insurance options for employees. Employee-only HSA and base PPO plans were covered by the City at no charge to the employee. Dependent and fully family coverage HSA and PPO plans were also offered at a partial cost to the employee, varying according to the coverage type. A "buy-up" PPO plan, with richer benefits, was also offered for employee only, employee spouse, and full family coverage at a higher cost to the employee. A similar variety of Dental and Vision plans were also offered. Non-participating full-time employees continued to receive $156 per month.

Eligible retirees electing medical coverage also receive City benefit contributions toward payment of insurance premiums. Retirees must have been employed by the City for at least ten years and receive normal or early retirement benefits from his/her retirement plan to be eligible. City benefit contributions, equal to benefit contributions for employees, are applied to regular retired employees until they are eligible to receive Medicare benefits at the age of 65. Although the implicit subsidy is the result of state law when healthcare is offered as an employee benefit, City benefit contributions are not available for employees who began employment after November 1, 2005. The benefit contributions are based on years of service, date of retirement, and applicable Rules & Regulations and Union Contracts in place at the time of retirement. 5% of the total contribution is earned for each year of creditable service up to 100%. Retirees pay the difference in costs that exceed the benefit Contribution. Contributions cease upon:

- The earlier attainment of age 65, Medicare eligibility, or death
- A retiree electing to use another group health insurance plan
- Acceptance of employment after retirement with an entity that offers health insurance benefits

Retirees not eligible for City benefit contributions can continue coverage into retirement on the City's plans on a retiree-pay-all basis, including spouse and dependents. Upon death of the retiree, a dependent may continue coverage only through COBRA continuation of coverage.

The City administers the OPEB plan as a single employer defined benefit healthcare plan (the "OPEB Plan") available to retirees and their spouse/dependents. To be eligible for participation in the OPEB Plan, the employee must:

- Retire under the Florida Retirement System, the City of Temple Terrace, Municipal Police Officers' Pension Plan or the Municipal Firefighters' Pension Plan, or the City of Temple Terrace Defined Contribution Plan
- Attain the minimum service requirements under the OPEB Plan
- Elect to continue medical coverage by paying the applicable monthly premium

The City does not issue a stand-alone financial report on the OPEB Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms as of September 30, 2025, the latest actuarial valuation date:

Employees Covered by Benefit Terms

Category	Employees Covered
Retirees and beneficiaries currently receiving benefits	28
Active Employees	275
Total Covered	303

Benefits Provided

Participants in the City's OPEB Plan become participants in the City's group health self-insurance program and receive the healthcare benefits of that program for themselves and their dependents. (Pursuant to Section 112.0801, Florida Statutes, the City is required to offer participation in such a program at a cost to the retiree that is no greater than the cost at which coverage is available to active City employees i.e., the average blended cost. In other words, the premium payments to the group health self-insurance program cannot be age-adjusted, and there is therefore an implicit subsidy of retirees by the City and its active employees.) As an alternative, the City also offers retirees or their spouse/dependents the option to purchase a reduced level of coverage under a Medicare supplement plan.

Contributions

Contributions to the OPEB Plan are shared by the retiree and the City. OPEB Plan participants must reimburse the City for the City's average blended cost (the City provides the implicit subsidy). Thus, retirees can continue medical, dental and vision coverage into retirement on the City's plans on a retiree-pay-all basis, including spouse and dependents. The premium rate being charged active participants must be paid. Upon death of the retiree, a dependent may continue coverage only through COBRA continuation of coverage. Retirees eligible for the stipend mentioned above pay the difference in cost for benefits that exceed the Flexible Benefit Contribution.

Total OPEB Liability of the City

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

Components of City's Total OPEB Liability

Component	**Amount**
Total OPEB Liability	$ 7,008,703
OPEB Plan Fiduciary Net Position	-
City's Total OPEB Liability	$ 7,008,703

Actuarial Assumptions

The total OPEB liability on September 30, 2025, was based on an actuarial valuation dated October 1, 2024, rolled forward to September 30, 2025, using the following actuarial assumptions:

OPEB Actuarial Assumptions

Category	Assumption
Inflation	3.0% per annum
Discount Rate	4.50% (S&P Municipal Bond 20-Year High-Grade Rate Index as of Sep-30-25)
Healthcare cost trend rates	Medical Plans – 8% with ultimate Healthcare cost trend rate of 4.50% by FY 2037
Mortality Rates	401a and FRS Employees and Retirees: PubG-H-2010 – General Mortality Table with Mortality Improvement using Scale MP-2020. Police and Fire Employees and Retirees: PubS-H-2010, Safety Mortality Table with Mortality Improvement using Scale MP-2020

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 on September 30, 2025, was 4.50% increased from 4.06% on September 30, 2024. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The S&P Municipal bond 20-Year High-Grade Rate Index as of September 30, 2025, was adopted for this purpose.

Changes in the Total OPEB Liability

Total OPEB Liability	FY 2025
Service Cost	$ 216,928
Interest	242,538
Changes in Benefit Terms	-
Difference between expected and actual experience	561,224
Change of assumptions and other inputs	385,232
Benefit payments	(742,175)
Net change in total OPEB liability	663,747
Total OPEB liability-beginning	6,344,956
Total OPEB liability-ending	$ 7,008,703

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

The following table presents the total OPEB liability, calculated using the discount rate of 4.50% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower 3.50% or one percentage-point higher 5.50% than the current discount rate:

OPEB Liability Using Discount Rate

Category	1% Decrease	Current Discount Rate	1% Increase
Percentage with Increase/Decrease	3.50%	4.50%	5.50%
Total OPEB Liability	$ 6,551,293	$ 7,008,703	$ 7,526,872

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

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current discount rate:

OPEB Liability Using Healthcare Rate

Category	1% Decrease	Current Discount Rate	1% Increase
Percentage with Increase/Decrease	5.25%	6.25%	7.25%
Total OPEB Liability	$ 6,630,844	$ 7,008,703	$ 7,441,923

OPEB Expense and 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 $550,857 on September 30, 2025, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Deferred Outflows and Inflows

Category	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Experience	$ 529,162	$ 321,001
Changes in Assumptions	1,067,268	614,156
Total	$ 1,596,430	$ 935,157

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

Net Deferred Inflows Shown as Expense

Fiscal Year Ending	Amount
30-Sep-26	$ 37,154
30-Sep-27	(6,498)
30-Sep-28	148,174
30-Sep-29	157,342
30-Sep-30	160,754
Thereafter	164,347
Total	$ 661,273

Employee Contribution Information

Retirees participating in the group insurance plans offered by the City of Temple Terrace are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. Note that projected employee contributions for the Dental and AFLAC benefits are assumed to cover the entire cost of those respective programs. In addition, the Life and Disability Insurance benefits are currently not offered to retirees.

Other Employee Benefits -Vacation and Sick Leave

Unused vacation leave is paid upon an employee's termination. Sick leave not taken is forfeited by terminating employees. The vacation leave and sick leave is recorded as a liability in the financial statements per requirements set forth in GASB Statement 101. With the implementation of this statement, the City recognized an increase in liability of $326,650 across all departments. Accrued sick time is not eligible to be paid to the employee upon termination. Therefore, the City only recognizes 50% of the balance as due within a year.

Post-Retirement Benefits

Based on City of Temple Terrace Rules and Regulations, Section 13-8, retired City employees are eligible to continue participation in the same insurance benefits selected prior to retirement except for additional life insurance, disability, insurance, and deferred compensation. Retirees are eligible to receive the same monthly flexible benefit contribution amount as active City employees less any amount for health insurance subsidy under the retirement plan toward the cost of these benefits until age 65 as discussed in the note regarding other postemployment benefits. Upon reaching age 65, a retiree may elect to continue in the City's group health insurance program but will not be eligible for the City's flexible benefit contribution.

Commitments and Contingencies

Commitments

The City has various construction contracts at fiscal year-end. A substantial amount of these commitments are for infrastructure. At September 30, 2025, the City had some significant outstanding commitments on contracts in excess of $1,000,000. The total contract amounts were approximately $23 million, and the remaining balance on those contracts totaled approximately $14.5 million, as of September 30, 2025. A breakdown of outstanding encumbrances, by fund, are as follows:

Fund	Open Encumbrances	
General Fund	$	975,433
Street Improvement Fund		1,530,323
Building Fund		34,995
Community Investment Tax Fund		1,274,347
Tax Increment Financing Fund		144,322
Water & Sewer Fund		10,558,507
Sanitation Fund		20,169
City Garage - Fleet Fund		5,328
	$	**14,543,424**

Contingencies

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material to the financial statements.

Long-Term Liabilities

Revenue bonds and other long-term liabilities directly related to and intended to be paid from Enterprise Funds are included in the business-type activities. All other long-term indebtedness of the city is accounted for in the governmental activities.

Summarized below are the City's long-term debt issues which are outstanding on September 30, 2025:

Description of Long-Term Debt

Governmental Activities Long-Term Debt	Original Amount	Amount Outstanding	Interest Rate	Annual Debt
2021 Taxable Refunding Revenue Note	$ 12,791,000	$ 10,004,856	2.75%	$ 632,000
Total Governmental Activities Long-Term Debt	$ 12,791,000	$ 10,004,856	N/A	$ 632,000

Note: The purpose of all debt listed in this table is "Revenue Debt"

During the fiscal year ended September 30, 2025, the following changes in long-term liabilities occurred:

Changes in Long-Term Liabilities

Category	30-Sep-24	Additions	Deductions	Final	Due within one year
Governmental activities					
2005 Revenue Note	$ 236,823	$ -	$ (236,823)	$ -	$ -
2021 Revenue Note	10,615,856	-	(611,000)	10,004,856	632,000
Accrued compensated absences *	1,655,106	281,644	-	1,936,750	974,736
SBITA liability	630,463	304,888	(325,422)	609,929	277,927
Total OPEB obligation	5,458,540	1,348,353	(799,595)	6,007,298	341,995
Net Pension Liability	26,313,839	2,452,995	(3,384,326)	25,382,508	-
Total governmental activities	$ 44,910,627	$ 4,387,880	$ (5,357,166)	$43,941,341	$ 2,226,658
Business-Type activities					
Accrued compensated absences	$ 170,794	$ 45,006	$ -	$ 215,800	$ 82,668
Total OPEB obligation	886,415	249,630	(134,640)	1,001,405	376,346
Net Pension Liability	104,469	23,213	(57,527)	70,155	-
Total business-type activities	1,161,678	317,849	(192,167)	1,287,360	459,014
Total long-term Liabilities	$ 46,072,305	$ 4,705,729	$ (5,549,333)	$45,228,701	$ 2,685,672

*The calculation of accrued compensated absences was done using the requirements in GASB Statement 101 and the change is netted above.

Other Long-Term Liabilities

Other long-term liabilities, such as compensated absences, OPEB obligations, and Net Pension Liability are typically liquidated by the individual fund to which the liability is directly associated, specifically General Fund, Water & Sewer Fund, Sanitation Fund, and City Garage Fleet Fund.

Summary of Principal and Interest Requirements (All Series)

The annual requirements to amortize all outstanding debt except compensated absences, as of September 30, 2025, as follows:

Outstanding Debt to be Amortized

Payable Fiscal Year Ended September 30, 2025	2021 Revenue Note Principal	2021 Revenue Note Interest
2026	$ 632,000	$ 275,134
2027	651,000	257,754
2028	671,000	239,851
2029	695,000	221,399
2030	713,000	202,286
2031-2035	3,954,000	702,935
2036-2038	2,688,856	149,478
Total	$ 10,004,856	$ 2,048,837

2005 Country Club Revenue Note

On October 26, 2005, the City issued a $3,125,000 taxable non-ad valorem revenue note, series 2005 at 5.45% with Wachovia Bank (now Wells Fargo) on behalf of Temple Terrace Golf and Country Club (Club) to pay off notes 323 and 364 and utilize the remaining proceeds of $125,496 to construct a maintenance facility. Payment of the loan is secured by a lien upon, and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment. Principal and interest on the note will be paid semi-annually commencing April 1, 2006, with the final payment due October 1, 2025. The source of funds for this payment is generated from the Temple Terrace Golf Club reimbursement, which include 0.5% surcharge over the rate on the note. This surcharge was eliminated on October 6, 2009, per Resolution 127-09. In February 2016, the City entered into an agreement with the golf course management company, Integrity Golf Company, who assumed the operations of the Club during FY 2016. The agreement stipulated that the management company shall remit to the City $125,000 annually for the Club's debt service payments on the 2005 Revenue Note. Integrity failed to make payments in FY 2017, subsequently putting the Club in default for 2 payments. In February 2018 the Club and the City entered into a new agreement. The Club paid the amount in arrears on this loan, and subsequent payments in 2019 to keep the Club in good standings on loan payments. From FY 2020 to FY 2024, due to COVID and the economic aftermath, the Club struggled to make payments in accordance with the agreement; an average of only $85,506 per year was paid during these five years. Serious discussions about this shortfall began during FY 2024 between City leaders and Club leaders. By the end of FY 2024, the Country Club had a new operational model generating more Golf revenue and a monthly payment plan to the City based on a percentage of the revenue. In FY 2025, the Club made $132,817 in payments toward the loan, bringing the September 30, 2025, principal balance due to the City for repayment of the loan to $2,267,099.

2021 Taxable Refunding Revenue Notes

In February 2021, the City refinanced the previous year's 2018A Taxable Non-Ad Valorem Revenue Bond. The 2021 note was issued for $12,791,000 with interest payments due each April and October 1, including the one-time principal payment amortized through October 1, 2038 (the same due date as the original schedule from 2020 Revenue Note) at a stated interest rate of 2.75% from CenterState Bank, down from the previously refunded 4.28%, a decrease of 1.53%.

Loans Payable

The City does not have any revenue bonds; all loan disclosures relate to Revenue Notes. Therefore, there are no unused lines of credit nor assets that are pledged as collateral for debt. All notes are direct borrowing.

The 2005 Country Club Note is a fixed amount payment and has a pre-payment penalty. In the event of any default, the interest would accrue on the defaulted and any additional amounts, making the payments larger for any subsequent years for the 2005 loan to be paid off. The $236,823 principal balance of this loan was paid off in September 2025.

The 2021 long term Revenue Note is for the Community Redevelopment Agency area in which the Tax Increment Finance (TIF) District is located. This is property that was held by the City until sales of the various areas within the TIF district. Not all of the property within this area has been sold. This is a 20-year loan with interest and principal due annually. This Revenue Note does not have any prepayment penalties. The principal balance of this loan was $10,004,856 as of September 30, 2025.

Any defaults would be added to subsequent payments throughout the term of the loan.

Conduit Debt

On December 2, 2003, City Council authorized the issuance of revenue bonds in the principal amount of $15,000,000 for construction of two hospice facilities in Temple Terrace and Ruskin by LifePath Hospice and Palliative Care, Inc., which were delivered on December 11, 2003. On August 4, 2009, City Council authorized amendments and the interest rate conversion of $13,827,500 Revenue Bonds (LifePath Hospice Project), Series 2003 consisting of one fully registered Bond, to SunTrust Bank, dated September 1, 2009, bearing interest at the Bank Rate, and maturing on December 1, 2030. Interest rate was changed from a LIBOR to a SOFR index in May 2023 in accordance with industry requirements. Interest payments are made over a 27-year period, with principal payments beginning December 1, 2006, and maturing December 1, 2030. These conduit bonds do not constitute an indebtedness of the City of Temple Terrace but are payable solely from the revenues derived from the operation of the hospice facilities.

Subscription Arrangements (SBITA)

For the year ended September 30, 2025, the financial statements include detail of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model of subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The City entered into new SBITA agreements during FY 2025, as well as continued relationships with previously reported vendors. The value of the right to use assets with accumulated amortization is included above in the Governmental Capital Assets.

The governmental activities future principal and interest payments for SBITA liabilities as of September 30, 2025, were as follows:

SBITA Payments

Payments by Activity Type

Governmental Activities

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 277,927	$ 15,183	$ 293,110
2027	232,686	9,373	242,059
2028	99,316	2,200	101,516
Total	$ 609,929	$ 26,756	$ 636,685

Note IV—Other Information

Risk Financing

The City is subject to losses in the normal course of operations resulting from general liability, property and casualty, workers' compensation, employee health and accident, environmental and antitrust matters. The City has purchased commercial insurance to protect against employee dishonesty and employee health losses. The City participates in a self-insurance program for purposes of protecting against workers' compensation losses; real and personal property losses; automobile damage; pollution, and general liability, including malpractice, employment practices liability insurance and errors and omissions. Further, the City transfers risk, whenever possible, through hold-harmless clauses and insurance requirements in all contracts, leases and agreements. The City has maintained the same insurance coverage for several years. Settled claims have not exceeded commercial coverage in any of the past five fiscal years.

On October 1, 2019, the City entered into an intergovernmental cooperative agreement with Florida Municipal Insurance Trust (FMIT), a risk management and self-insurance association, for the purpose of reducing and limiting member casualty and property losses and employee injuries caused by or arising out of the operations of its members. The pool processes claims, performs investigations, provides defense and settlement when claims arise. FMIT administers a risk management pool and utilizes such funds to defend and protect any members of the pool against liability for a covered loss. All funds contained within the pool are funds directly derived from its members who are public agencies of the State of Florida. The relationship is a joint self-insurance or self-funded program using governmental funds. The purchase of liability insurance by the pool or any of its members is not intended to, and does not, waive sovereign immunity. The pool and the members of the pool do not intend to waive sovereign immunity through their use of public funds retained within the pool. Such funds are not intended to constitute the existence, issuance, or purchase of a policy for insurance. And the pool is not treated as an "insurer" within the meaning of any State legislation. Among other things, the powers of the pool include the purchase of aggregate excess insurance and specific excess insurance to supplement the risk management pool. The City is obligated to make payments to the pool, select a representative to serve on the Board of Directors, allow attorneys employed by the pool to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City, and to follow operations and loss reduction and prevention procedures established by the pool.

Florida Municipal Insurance Trust (FMIT) is a risk pool that assumes the risk of loss for all participating members. The members are subject to additional premium assessments in the event that the risk pool required additional funding to satisfy all claims. The City has a "claims reporting period" that coincides with the fiscal year. Renewal premium quotes are typically available in June prior to the beginning of the fiscal year.

Property Acquisition / Public Safety Building

The assigned fund balance in FY 2024 included $1.5 million to be used for acquisition of property to build a new Public Safety station to house a new Police headquarters and Fire Station 3. The first step in this effort occurred in January 2024 as the City Council adopted Resolution 7-24 authorizing City officials to negotiate and prepare a Purchase and Sale Agreement (PSA) for the purchase of 5.01+ acres located at 7911

Harney Road. The City Manager was authorized to deposit $10,000 into escrow per a letter of intent. Negotiations ensued, and on June 3, 2024, the 7911 Harney Road property was purchased for $1,567,137. Additional expenditures associated with the land sale brought the full FY 2024 expenditure to $1,643,333. The $143,333 in excess of the $1.5 million assigned for the property purchase was paid from an assigned balance of "To-be-determined" Council Projects of $2,647,667.

Conceptual design work for the new building was contracted and began in FY 2025 for $191,214. The City Manager and Finance Director began to speak with Financial and Bond Counsel regarding the financing of the new building and it was agreed that the City should seek to put a General Obligation Bond on the ballot in 2026. City Council approved a $10,000 educational campaign in FY 2026.

Community Investment Tax Renewal

The Community Investment Tax (CIT) is a half-percent sales tax that was approved by Hillsborough County voters in September 1996 for a period of 30 years. It was set to expire on November 30, 2026. Hillsborough County voters voted to renew the tax through December 31, 2041. The renewal ballot language, which was approved on November 5, 2024, read, "Shall Hillsborough County renew the existing local government infrastructure surtax, known locally as the community investment half-cent sales tax, commencing December 1, 2026, through December 31, 2041, to be shared with the municipalities and the School Board to fund infrastructure for transportation and public works, public safety, public facilities, public utilities and public schools."

PFAS

In FY 2025, the City's Water Utility became aware that levels of polyfluoroalkly substances (PFAS) contaminates found in the City's water exceeded enforceable maximum levels required by the Federal Environmental Protection Agency (EPA) to be attained by 2031. Temple Terrace is among the estimated 4,000-6,700 water utilities nationally with levels that need to be reduced to meet the 2031 goal. The Temple Terrace City Council approved a study and analysis by a Utilities consultant to come up with possible solutions and costs. Results of the study are expected to be released in May 2026. It is anticipated that a revenue bond will be required for the study to obtain the necessary financing for a solution. A Water and Sewer rate study by an independent firm would be a requirement for obtaining a revenue bond. Any rate increases necessary to address the PFAS issue, would not be implemented until FY 2027, at the earliest.

Subsequent Events

The City Council decided to put the GO Bond referendum on the August 18, 2026 Primary Election Ballot. A bond referendum ordinance was written and scheduled to go before the Council for adoption in April, 2026. City staff continued to meet with a Utilities consulting firm to analyze multiple potential solutions for lowering PFAS levels to the EPA required levels by 2031, with a date of May 19, 2026 to present recommendations to Council and subsequent Town Hall meeting scheduled for May 26, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Pension and Other Postemployment Benefit Schedules

- Schedule of Changes in Net Pension Liability and Related Ratios – Last Ten Fiscal Years – Fire Fighter's Retirement System
- Schedule of Contributions – Last Ten Fiscal Years – Fire Fighter's Retirement System
- Schedule of Changes in Net Pension Liability and Related Ratios – Last Ten Fiscal Years – Police Officer's Retirement System
- Schedule of Contributions – Last Ten Fiscal Years – Police Officer's Retirement System
- Schedule of Employer Contributions Police Officer's and Fire Fighter's Retirement System – Annual Money - Weighted Rate of Return, Net of Investment Expense
- Schedule of Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years – FRS
- Schedule of Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years – Retiree Health
- Schedule of Contributions – Last Ten Fiscal Years – FRS & Retiree Health
- Schedule of Changes in Total OPEB Liability and Related Rations – Last Nine Fiscal Years

Budgetary Comparison Schedules

- Notes to Required Supplementary Information – Budget Comparison Schedules
- General Fund Budgetary Comparison
- Major Special Revenue Fund – Budgetary Comparison Schedule
    - Street Improvement Fund

Category	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 1,245,311	$ 1,250,715	$ 1,268,572	$ 1,147,789	$ 1,095,292
Interest	3,844,084	3,742,775	3,527,326	3,294,793	3,118,702
Changes in excess state money	-	-	-	-	-
Share plan allocation	106,340	56,971	39,734	14,872	8,332
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	733,285	622,220	5,644	407,554	49,281
Changes of assumptions	(612,363)	-	-	-	186,359
Contributions–buy back	1,977	3,667	10,493	40,856	36,783
Benefit Payments, including refunds of employee contributions	(2,227,844)	(1,699,911)	(2,144,970)	(1,623,627)	(1,587,807)
Net change in total pension liability	3,090,790	3,976,437	2,706,799	3,282,237	2,906,942
Total pension liability-beginning	54,153,722	50,177,285	47,470,486	44,188,249	41,281,307
Total pension liability-ending (A)	$ 57,244,512	$ 54,153,722	$ 50,177,285	$ 47,470,486	$ 44,188,249
Plan fiduciary net position					
Contributions–employer	$ 2,122,169	$ 2,008,679	$ 1,808,072	$ 1,667,917	$ 1,639,639
Contributions–state	368,892	270,155	235,680	185,956	172,877
Contributions–employee	516,565	466,708	443,150	419,795	375,858
Contributions–buy back	1,977	3,667	10,493	40,856	36,783
Net investment income	3,144,250	6,293,333	4,004,353	(5,107,106)	6,700,446
Benefit Payments, including refunds of employee contributions	(2,227,844)	(1,699,911)	(2,144,970)	(1,623,627)	(1,587,807)
Administrative expense	(70,914)	(63,145)	(62,116)	(67,745)	(76,919)
Net change in plan fiduciary net position	3,855,095	7,279,486	4,294,662	(4,483,954)	7,260,877
Plan fiduciary net position-beginning	45,291,691	38,012,205	33,717,543	38,201,497	30,940,620
Plan fiduciary net position-ending (B)	$ 49,146,786	$ 45,291,691	$ 38,012,205	$ 33,717,543	$ 38,201,497
Net pension liability-ending (A)-(B)	$ 8,097,726	$ 12,165,080	$ 12,165,080	$ 13,752,943	$ 5,986,752
Plan fiduciary net position as a percentage of the total pension liability	85.85%	83.64%	75.76%	71.03%	86.45%
Covered payroll	$ 4,913,955	$ 4,441,075	$ 4,216,466	$ 3,994,244	$ 3,576,190
Net pension liability as a % of covered payroll	164.79%	199.55%	288.51%	344.32%	167.41%

(Continued)

Category ***(Continued)***	**2020**	**2019**	**2018**	**2017**	**2016**
Total pension liability					
Service cost	$ 1,144,202	$ 1,107,294	$ 1,032,866	$ 929,615	$ 923,351
Interest	2,904,236	2,720,390	2,462,363	2,342,818	2,179,370
Changes in excess state money	-	-	-	-	(18,213)
Share plan allocation	3,809	686	-	-	15,028
Changes of benefit terms	-	(17,202)	-	-	-
Differences between expected and actual experience	(363,666)	81,020	1,408,684	(261,617)	38,129
Changes of assumptions	761,225	-	-	-	627,713
Contributions–buy back	18,487	16,383	25,724	-	3,143
Benefit Payments, including refunds of employee contributions	(1,531,851)	(1,490,948)	(1,602,076)	(1,447,974)	(1,769,625)
Net change in total pension liability	2,936,442	2,417,623	3,327,561	1,562,842	1,998,896
Total pension liability-beginning	38,344,865	35,927,242	32,599,681	31,036,839	29,037,943
Total pension liability-ending (A)	$ 41,281,307	$ 38,344,865	$ 35,927,242	$ 32,599,681	$ 31,036,839
Plan fiduciary net position					
Contributions–employer	$ 1,429,968	$ 1,752,112	$ 1,450,076	$ 1,316,570	$ 1,167,720
Contributions–state	163,831	157,585	155,354	153,625	168,057
Contributions–employee	373,276	375,067	350,864	327,645	303,975
Contributions–buy back	18,487	16,383	25,724	-	3,143
Net investment income	2,027,593	969,827	2,600,576	2,683,463	1,359,948
Benefit Payments, including refunds of employee contributions	(1,531,851)	(1,490,948)	(1,602,076)	(1,447,974)	(1,769,625)
Administrative expense	(58,696)	(49,498)	(54,011)	(65,679)	(43,311)
Net change in plan fiduciary net position	2,422,608	1,730,528	2,926,507	2,967,650	1,189,907
Plan fiduciary net position-beginning	28,518,012	26,787,484	23,860,977	20,893,327	19,703,420
Plan fiduciary net position-ending (B)	$ 30,940,620	$ 28,518,012	$ 26,787,484	$ 23,860,977	$ 20,893,327
Net pension liability-ending (A)-(B)	$ 10,340,687	$ 9,826,853	$ 9,139,758	$ 8,738,704	$ 10,143,512
Plan fiduciary net position as a percentage of the total pension liability	74.95%	74.37%	74.56%	73.19%	67.32%
Covered payroll	$ 3,551,628	$ 3,568,671	$ 3,338,386	$ 3,117,461	$ 2,892,247
Net pension liability as a % of covered payroll	291.15%	275.36%	273.78%	280.31%	350.71%

See independent auditor's report as it relates to required supplementary information.

(Continued)

Notes to Schedule:

- For measurement date September 30, 2021, as a result of the experience study dated May 12, 2021, the following changes were made:
  - The investment return assumption was reduced from 7.50% to 7.40% per year, net of investment related expenses.
  - Amended the assumption regarding expected individual salary increases from a flat 6.5% per year to 8.5% in the first year of employment and 5.5% per year for those with one or more years of Credited Service.
  - Amended the assumption regarding Normal Retirement to be that in the first year a Member becomes eligible for Normal Retirement there will be a 50% probability of Retirement, and then a 100% probability one year after first eligibility.
  - Amended the expected withdrawal rates to increase the assumed rates for less than 2 years of service and reduce the assumed rates for those with more than 2 years of service.
- For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019, actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

Reporting Period Ending	2025	2024	2023	2022	2021
Actuarially Determined Contribution	$ 2,335,353	$ 2,204,625	$ 1,972,617	$ 1,843,524	$ 1,799,661
Contributions in Relation to the Actuarially Determined Contribution	2,384,721	2,221,863	2,004,018	1,839,001	1,804,184
Contribution Deficiency – (Excess)	$ (49,368)	$ (17,238)	$ (31,401)	$ 4,523	$ (4,523)
Covered Payroll	$ 4,913,955	$ 4,441,075	$ 4,216,466	$ 3,994,244	$ 3,576,190
Contributions as a Percentage of Covered Payroll	48.53%	50.03%	47.53%	46.04%	50.45%

Reporting Period Ending	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 1,776,761	$ 1,722,240	$ 1,605,430	$ 1,329,855	$ 1,329,855
Contributions in Relation to the Actuarially Determined Contribution	1,589,990	1,909,011	1,605,430	1,470,195	1,329,855
Contribution Deficiency – (Excess)	$ 186,771	$ (186,771)	$ -	$ (140,340)	$ -
Covered Payroll	$ 3,551,628	$ 3,568,671	$ 3,338,386	$ 3,117,461	$ 2,892,247
Contributions as a Percentage of Covered Payroll	44.77%	53.49%	48.09%	47.16%	45.98%

Notes to Schedule:

- Valuation Date: October 01, 2023
- Methods and assumptions used to determine contribution rates can be found in the October 01, 2023, Actuarial Valuation for the City of Temple Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Schedule of Changes in Net Pension Liability and Related Ratios – Last Ten Fiscal Years – Police Officer's Retirement System
City of Temple Terrace
Year Ended September 30, 2025

Category	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 1,101,047	$ 990,060	$ 897,751	$ 865,024	$ 848,143
Interest	4,260,986	4,237,039	4,038,844	3,898,368	3,690,387
Changes of benefit terms	-	-	-	-	179,532
Differences between expected and actual experience	1,106,573	563,968	742,097	166,168	1,227,546
Changes of assumptions	658,305	-	-	636,916	-
Contributions–buy back	-	-	-	19,646	-
Benefit Payments, including refunds of employee contributions	(3,427,485)	(3,053,354)	(3,132,023)	(2,904,191)	(3,115,576)
Net change in total pension liability	3,699,426	2,737,713	2,546,669	2,681,931	2,830,032
Total pension liability-beginning	60,531,618	57,793,905	55,247,236	52,565,305	49,735,273
Total pension liability-ending (A)	$ 64,231,044	$ 60,531,618	$ 57,793,905	$ 55,247,236	$ 52,565,305
Plan fiduciary net position					
Contributions–employer	$ 2,204,398	$ 2,347,693	$ 2,292,757	$ 2,164,035	$ 2,376,509
Contributions–state	797,901	780,318	495,371	444,902	343,131
Contributions–employee	570,209	516,025	438,449	419,313	395,905
Contributions–buy back	-	-	-	19,646	-
Net investment income	3,674,607	6,559,653	3,817,140	(5,508,064)	6,803,374
Benefit Payments, including refunds of employee contributions	(3,427,485)	(3,053,354)	(3,132,023)	(2,904,191)	(3,115,576)
Administrative expense	(69,199)	(70,778)	(73,691)	(66,238)	(59,580)
Net change in plan fiduciary net position	3,750,431	7,079,557	3,838,003	(5,430,597)	6,743,763
Plan fiduciary net position-beginning	43,433,140	36,353,583	32,515,580	37,946,177	31,202,414
Plan fiduciary net position-ending (B)	$ 47,183,571	$ 43,433,140	$ 36,353,583	$ 32,515,580	$ 37,946,177
Net pension liability-ending (A)-(B)	$ 17,047,473	$ 17,098,478	$ 21,440,322	$ 22,731,656	$ 14,619,128
Plan fiduciary net position as a percentage of the total pension liability	73.46%	71.75%	62.90%	58.85%	72.19%
Covered payroll	$ 5,091,154	$ 4,607,348	$ 3,914,722	$ 3,743,861	$ 3,534,856
Net pension liability as a % of covered payroll	334.84%	371.11%	547.68%	607.17%	413.57%

(Continued)

Category ***(Continued)***	**2020**	**2019**	**2018**	**2017**	**2016**
Total pension liability					
Service cost	$ 677,380	$ 600,586	$ 626,092	$ 658,510	$ 652,093
Interest	3,654,964	3,522,370	3,359,135	3,231,782	2,996,634
Changes in excess state money	-	-	-	(13,669)	-
Changes of benefit terms	-	44,052	-	-	-
Differences between expected and actual experience	(850,684)	412,127	1,046,273	254,999	266,414
Changes of assumptions	(453,592)	72,756	79,720	129,219	1,632,506
Contributions–buy back	-	-	21,919	-	-
Benefit Payments, including refunds of employee contributions	(2,696,542)	(3,136,877)	(2,813,555)	(2,274,549)	(2,562,970)
Net change in total pension liability	331,526	1,515,014	2,319,584	1,986,292	2,984,677
Total pension liability-beginning	49,403,747	47,888,733	45,569,149	43,582,857	40,598,180
Total pension liability-ending (A)	$ 49,735,273	$ 49,403,747	$ 47,888,733	$ 45,569,149	$ 43,582,857
Plan fiduciary net position					
Contributions–employer	$ 1,940,686	$ 2,844,524	$ 2,202,438	$ 2,079,938	$ 1,857,520
Contributions–state	215,698	211,464	194,338	181,543	188,055
Contributions–employee	361,246	306,159	290,312	322,963	303,850
Contributions–buy back	-	-	21,919	-	-
Net investment income	2,289,196	1,366,251	2,709,007	2,584,444	1,382,196
Benefit Payments, including refunds of employee contributions	(2,696,542)	(3,136,877)	(2,813,555)	(2,274,549)	(2,562,970)
Administrative expense	(46,852)	(52,032)	(605)	(50,713)	(37,851)
Net change in plan fiduciary net position	2,063,432	1,539,489	2,603,854	2,843,626	1,130,800
Plan fiduciary net position-beginning	29,138,982	27,599,493	24,995,639	22,152,013	21,021,213
Plan fiduciary net position-ending (B)	$ 31,202,414	$ 29,138,982	$ 27,599,493	$ 24,995,639	$ 22,152,013
Net pension liability-ending (A)-(B)	$ 18,532,859	$ 20,264,765	$ 20,289,240	$ 20,286,401	$ 21,430,844
Plan fiduciary net position as a percentage of the total pension liability	62.74%	59.03%	57.63%	54.85%	50.83%
Covered payroll	$ 3,225,403	$ 2,733,563	$ 2,592,071	$ 2,883,598	$ 2,712,946
Net pension liability as a % of covered payroll	574.59%	739.72%	782.74%	713.47%	789.95%

See independent auditor's report as it relates to required supplementary information.

(Continued)

Notes to Schedule:

- Changes of benefit terms
  - For measurement date September 30, 2021, the maximum DROP participation period was originally extended with Ordinance 1471 from 60 months to 96 months, but only for those who elect the extension prior to September 17, 2023. The extension is now made available indefinitely and was not repealed on September 17, 2023.
- Changes of assumptions
  - For measurement date September 30, 2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019, actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics. Additionally, the termination rates were reduced by 0.6% for members with 1 to 10 years of service, and by 0.5% for members with 11 or more years of service, in conjunction with the November 21, 2016, experience study. This valuation now represents the ultimate rates proposed in the Experience Study.
- For measurement date September 30, 2021, the investment rate was lowered from 7.5% to 7.4% per year, net of investment related expenses.

Reporting Period Ending	2025	2024	2023	2022	2021
Actuarially Determined Contribution	$ 2,984,716	$ 2,843,064	$ 2,635,888	$ 2,703,896	$ 2,592,207
Contributions in Relation to the Actuarially Determined Contribution	3,002,299	3,128,011	2,747,776	2,608,937	2,719,640
Contribution Deficiency – (Excess)	$ (17,583)	$ (284,947)	$ (111,888)	$ 94,959	$ (127,433)
Covered Payroll	$ 5,091,154	$ 4,607,348	$ 3,914,722	$ 3,741,861	$ 3,534,856
Contributions as a Percentage of Covered Payroll	58.97%	67.89%	70.19%	69.72%	76.94%

Reporting Period Ending	2020	2019	2018	2017	2016
Actuarially Determined Contribution	$ 2,629,410	$ 2,582,962	$ 2,413,755	$ 2,244,502	$ 2,045,575
Contributions in Relation to the Actuarially Determined Contribution	2,156,384	3,055,988	2,396,776	2,261,481	2,045,575
Contribution Deficiency – (Excess)	$ 473,026	$ (473,026)	$ 16,979	$ (16,979)	$ -
Covered Payroll	$ 3,225,403	$ 2,733,563	$ 3,338,386	$ 2,883,598	$ 2,712,946
Contributions as a Percentage of Covered Payroll	66.86%	111.80%	71.79%	78.43%	75.40%

Notes to Schedule:

- Valuation Date: October 01, 2023
- Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.
- Methods and assumptions used to determine contribution rates can be found in the October 1, 2023, Actuarial Valuation for the City of Temple Terrace Police Officers' Retirement System prepared by Foster & Foster Actuaries and Consultants.
- The amounts presented for each FY were determined as of September 30.

Schedule of Employer Contributions Police Officer’s and Fire Fighter’s Retirement System – Annual Money-Weighted Rate of Return, Net Investment Expense
City of Temple Terrace
September 30, 2025

Fiscal Year Ended September 30	Firefighters' Retirement System	Police Officers' Retirement System
2025	7.29%	8.93%
2024	16.47%	18.14%
2023	11.90%	11.78%
2022	-13.32%	-14.54%
2021	21.59%	21.77%
2020	7.07%	7.78%
2019	3.59%	5.01%
2018	10.89%	9.80%
2017	12.86%	12.99%
2016	6.94%	6.72%

See independent auditor’s report as it relates to required supplementary information.

Florida Retirement System Pension Plan	**2025**	**2024**	**2023**	**2022**	**2021**
City's Proportion of the Net Pension Liability (Asset)	0.00067%	0.00083%	0.00094%	0.00112%	0.00181%
City's Proportionate Share of the Net Pension Liability	$ 208,157	$ 321,469	$ 374,870	$ 417,345	$ 136,658
City's Covered Payroll	$ 329,487	$ 384,622	$ 387,981	$ 434,019	$ 629,160
City's Proportionate Share of the Net Pension Liability Asset as a Percentage of Its Covered Payroll	63.18%	83.58%	96.62%	96.16%	21.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.26%	83.70%	82.38%	82.89%	96.40%

Florida Retirement System Pension Plan	**2020**	**2019**	**2018**	**2017**	**2016**
City's Proportion of the Net Pension Liability (Asset)	0.00241%	0.00243%	0.00251%	0.00274%	0.00372%
City's Proportionate Share of the Net Pension Liability	$ 1,045,690	$ 836,485	$ 754,600	$ 810,675	$ 940,162
City's Covered Payroll	$ 856,089	$ 905,074	$ 1,013,305	$ 1,039,378	$ 1,582,909
City's Proportionate Share of the Net Pension Liability Asset as a Percentage of Its Covered Payroll	122.15%	92.42%	74.47%	78.00%	59.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%

Notes to Schedule:

- The Amounts Presented for Each Fiscal Year were Determined as of June 30.
- The Plan’s fiduciary net position as a percentage of the total pension liability is published in Note IV of the Plan’s Annual Comprehensive Financial Report.

Schedule of Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years – Retiree Health
City of Temple Terrace
September 30, 2024

Retiree Health Insurance Subsidy Program–HIS	2025	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.00077%	0.00091%	0.00099%	0.00119%	0.00182%
City's Proportionate Share of the Net Pension Liability	$ 99,279	$ 136,322	$ 158,805	$ 126,170	$ 223,684
City's Covered Payroll	$ 329,487	$ 384,622	$ 387,981	$ 434,019	$ 629,160
City's Proportionate Share of the Net Pension Liability–Asset as a Percentage of Its Covered Payroll	30.13%	35.45%	40.93%	29.07%	35.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	6.36%	4.80%	4.12%	4.81%	3.56%

Retiree Health Insurance Subsidy Program–HIS	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.00247%	0.00272%	0.00298%	0.00326%	0.00423%
City's Proportionate Share of the Net Pension Liability	$ 301,169	$ 304,213	$ 315,280	$ 348,253	$ 493,561
City's Covered Payroll	$ 856,089	$ 905,074	$ 1,013,305	$ 1,039,378	$ 1,582,909
City's Proportionate Share of the Net Pension Liability–Asset as a Percentage of Its Covered Payroll	35.18%	2.63%	2.15%	1.64%	0.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

- The Amounts Presented for Each Fiscal Year were Determined as of June 30.
- The Plan's fiduciary net position as a percentage of the total pension liability is published in Note IV of the Plan's Annual Comprehensive Financial Report.

Florida Retirement System Pension Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 41,676	$ 43,534	$ 47,971	$ 47,201	$ 63,661	$ 77,954	$ 78,544	$ 71,995	$ 68,334	$ 83,671
Contributions in Relation to the Contractually Required Contribution	(41,676)	(43,534)	(47,971)	(47,201)	(63,661)	(77,954)	(78,544)	(71,995)	(68,334)	(83,671)
Contribution Deficiency–Excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$329,487	$365,521	$407,184	$420,596	$580,845	$799,981	$917,282	$927,983	$984,051	$1,202,558
Contributions as a Percentage of Covered Payroll	12.65%	11.91%	11.78%	11.22%	10.96%	9.74%	8.56%	7.76%	6.94%	6,96%

Retiree Health Insurance Subsidy Program–HIS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 11,253	$ 11,808	$ 10,509	$ 10,685	$ 15,141	$ 20,401	$ 22,068	$ 15,910	$ 16,316	$ 19,968
Contributions in Relation to the Contractually Required Contribution	(11,808)	(11,808)	(10,509)	(10,685)	(15,141)	(20,401)	(22,068)	(15,910)	(16,316)	(19,968)
Contribution Deficiency–Excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$329,487	$365,521	$407,184	$420,596	$580,845	$799,981	$917,282	$927,983	$984,051	$1,202,558
Contributions as a Percentage of Covered Payroll	3.42%	3.23%	2.58%	2.54%	2.61%	2.55%	2.41%	1.71%	1.66%	1.66%

Notes to Schedule:

- The Amounts Presented for Each Fiscal Year were Determined as of September 30.

Schedule Of Changes in Total OPEB Liability and Related Rations – Last Nine Fiscal Years
City of Temple Terrace
Year Ended September 30, 2024

Total OPEB Liability	**2025**	**2024**	**2023**	**2022**	**2021**
Service Cost	$ 216,928	$ 199,514	$ 167,386	$ 196,028	$ 192,551
Interest	242,538	282,722	283,352	176,726	158,970
Difference between expected and actual experience	561,224	-	(575,331)	-	226,896
Change of Assumptions and Other Inputs	385,232	394,939	283,960	(1,029,956)	(123,862)
Benefit payments	(742,175)	(675,177)	(678,492)	(671,712)	(549,182)
Other Changes *	-	-	382,538	-	-
Net change in total OPEB liability	663,747	201,998	(136,587)	(1,328,914)	(94,627)
Total OPEB liability-beginning	6,344,956	6,142,958	6,279,545	7,608,459	7,703,086
Total OPEB liability-ending	$ 7,008,703	$ 6,344,956	$ 6,142,958	$ 6,279,545	$ 7,608,459
Covered employee payroll	$ 19,874,927	$ 16,495,000	$ 15,936,379	$ 14,651,295	$ 14,155,863
Total OPEB liability as a percentage of covered employee p	35.26%	38.47%	38.55%	42.86%	53.75%

Total OPEB Liability *(Continued)*	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 227,041	$ 169,846	$ 217,455	$ 210,731
Interest	241,556	259,005	251,933	277,270
Difference between expected and actual experience	-	(19,844)	-	(769,706)
Change of Assumptions and Other Inputs	786,259	(23,276)	(39,761)	603,182
Benefit payments	(595,912)	(571,749)	(683,658)	(621,863)
Other Changes *	(1,189)	4,965	236,821	(380,423)
Net change in total OPEB liability	657,755	(181,053)	(17,210)	(680,809)
Total OPEB liability-beginning	7,045,331	7,401,384	7,418,594	8,099,403
Total OPEB liability-ending	$ 7,703,086	$ 7,045,331	$ 7,401,384	$ 7,418,594
Covered employee payroll	$ 12,715,145	$ 12,715,145	$ 11,542,072	$ 11,542,072
Total OPEB liability as a percentage of covered employee p	60.58%	55.41%	64.13%	64.27%

See independent auditor's report as it relates to required supplementary information.

(Continued)

* Includes new census and iteration amongst changes.

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 10 years. However, only 9 years of information is available
    - The City does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale)
    - A rate of 4.50% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2025

TEMPLE TERRACE

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BUDGETARY COMPARISON SCHEDULE

- Notes to Required Supplementary Information – Budget Comparison Schedules
- General Fund Budgetary Comparison
- Major Special Revenue Fund – Budgetary Comparison Schedule
    - Street Improvement Fund

Budgetary Control

During the fiscal year, budgetary control and revisions are maintained within the department level. The budget process allows for amendments during the year as conditions warrant. Per the City Charter, the City Council is authorized to make such changes to the budget as it deems necessary for the proper and economical operation of the City. If, at any time during the fiscal year, the City Manager recommends the re-appropriation of funds not needed for the purpose for which they were appropriated, or the appropriation of any unappropriated cash surplus, the City Council may appropriate such funds to any municipal purpose. An amendment may be initiated by the Finance Director, reviewed, and approved by the City Manager, and submitted to the City Council for consideration.

With the City Council approval, the fund appropriations are realigned. In addition, the enabling legislation allows the City Manager or Finance Director to transfer part or all encumbered appropriated balance among programs within an operating fund, providing such action does not result in the discontinuation of a program. Upon receipt of a donation or grant, the City Manager or Finance Director may appropriate funds in the expenditure line item of the program requested by the donor or grantor.

Department directors are authorized to move funds within categories of their respective departments. Transfer between categories must be approved by the City Manager or Finance Director.

Budgetary Basis

Budgets for funds that have formal budgetary integration are prepared in accordance with generally accepted accounting principles. This includes an original appropriation ordinance, a budget amendment for encumbrances outstanding at the end of the previous year, and other budget amendments adopted by the City Council. Appropriations for these funds lapse at the end of each fiscal year.

Budgets for governmental funds are adopted using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are recognized in the period in which the fund liability is incurred (except matured interest on general long-term debt, which is recognized when due).

While budgets for the proprietary fund types are not required by generally accepted accounting principles (GAAP) or by state or local law, they are adopted using the modified accrual basis of accounting to provide for comparability with the other funds. The following three items are presented differently: capital projects expenses, principal debt payments, and reserve for future capital. This budgetary basis is the same used for the annual audit.

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Property tax	$ 18,923,244	$ 18,923,244	$ 19,259,850	$ 336,606
Utility tax	4,793,339	4,793,339	5,218,708	425,369
Local business tax	280,000	280,000	258,625	(21,375)
Licenses & permits	116,886	116,886	116,372	(514)
Franchise fees	2,952,148	2,952,148	2,988,152	36,004
Intergovernmental	4,577,809	10,349,310	5,086,410	(5,262,900)
Charges for service	2,976,768	3,001,269	3,258,011	256,742
Fines and forfeitures	60,274	60,274	103,260	42,986
Investment earnings	1,828,019	1,828,019	1,568,141	(259,878)
Contributions & donations	32,000	48,223	50,816	2,593
Other & appropriated	9,848,925	11,509,360	2,621,814	(8,887,546)
Total revenues	46,389,412	53,862,072	40,530,159	(13,331,913)
Expenditures				
General government				
Legislative	624,894	645,210	568,113	77,097
Legal	419,124	462,613	447,829	14,784
Executive	962,321	1,000,577	917,205	83,372
Human resources	1,179,829	1,220,760	1,170,962	49,798
Information tech.	1,278,319	1,305,810	969,820	335,990
Finance	932,177	970,774	895,119	75,655
Community development	440,698	453,491	446,468	7,023
Non-departmental	578,522	606,410	1,219,070	(612,660)
Total general government	6,415,884	6,665,645	6,634,586	31,059
Economic Development				
Economic development	192,740	18,095	6,705	11,390
Total economic development	192,740	18,095	6,705	11,390

(Continued)

Category *(Continued)*	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Public Safety				
Public safety–police	11,993,413	12,343,583	11,780,290	563,293
Public safety–fire	10,643,757	10,826,899	10,727,034	99,865
Code enforcement	492,993	505,293	499,526	5,767
Total public safety	23,130,163	23,675,775	23,006,850	668,925
Culture & Recreation				
Culture & rec–library	1,056,522	1,055,042	1,046,350	8,692
Culture & rec–parks	3,467,844	4,414,759	3,649,562	765,197
Total culture & recreation	4,524,366	5,469,801	4,695,912	773,889
Utilities/Public Works				
Maintenance	3,003,562	7,337,722	7,048,247	289,475
Total public works	3,003,562	7,337,722	7,048,247	289,475
Capital outlay	7,756,000	8,250,618	1,641,217	6,609,401
Debt service	-	-	-	-
Total expenditures	45,022,715	51,417,656	43,033,517	8,384,139
Excess/deficiency of revenues over/under expenditures	1,366,697	2,444,416	(2,503,358)	(4,947,774)
Other Financing Sources (Uses)				
Transfers in	109,188	109,188	-	(109,188)
Transfers out	(1,475,885)	(2,553,604)	(2,647,822)	(94,218)
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	(1,366,697)	(2,444,416)	(2,647,822)	(203,406)
Net change in fund balance	-	-	(5,151,180)	(5,151,180)
Fund Balances-beginning	-	-	26,564,096	26,564,096
Fund Balances-ending	$ -	$ -	$ 21,412,916	$ 21,412,916

See independent auditor's report as it relates to required supplementary information.

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 750,000	$ 750,000	$ 744,355	$ (5,645)
Intergovernmental	1,322,032	2,373,763	2,458,753	84,990
Investment earnings	365,000	365,000	374,457	9,457
Contributions and donations	-	-	215,956	215,956
Other	7,865,437	8,319,693	-	(8,319,693)
Total revenues	10,302,469	11,808,456	3,793,521	(8,014,935)
Expenditures				
Public works				
Street maintenance	164,406	164,406	164,412	6
Engineering	20,919	20,919	20,919	-
Total public works	185,325	185,325	185,331	6
Capital Outlay	10,117,144	11,779,361	4,383,428	7,395,933
Total expenditures	10,302,469	11,964,686	4,568,759	7,395,927
Excess/deficiency of revenues over/under expenditures	-	(156,230)	(775,238)	(619,008)
Other Financing Sources (Uses)				-
Transfers out				-
Reserve for contingency	5,997,144	5,997,144	-	5,997,144
Total other financing sources (uses)	5,997,144	5,997,144	-	5,997,144
Net change in fund balance	-	-	(775,238)	(775,238)
Fund Balances-beginning	-	-	9,124,999	9,124,999
Fund Balances-ending	$ -	$ -	$ 8,349,761	$ 8,349,761

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OTHER SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

- Fund Descriptions
- Combining Financial Statements
    - Balance Sheet – Non-Major Governmental Funds
    - Revenues and Expenditures – Non-Major Governmental Combining Statement
- Budgetary Comparison Schedules
    - Non-Major Governmental Fund – Budgetary Comparison Schedule –Building Fund
    - Non-Major Governmental Fund – Budgetary Comparison Schedule – Community Investment Tax Fund
    - Non-Major Governmental Fund – Budgetary Comparison Schedule – Tax Increment Financing Fund
    - Non-Major Governmental Fund – Budgetary Comparison Schedule – Debt Service Fund

NON-MAJOR GOVERNMENTAL FUNDS

Fund Descriptions

Building Fund

The Building Fund was established in FY 2024, as required by Florida Statutes, as a Special Revenue Fund for the City's permitting, plan review and building construction inspection activities. This fund is supplemented by the General Fund through transfers. The ending fund balance for FY 2025 is 94,584.

Community Investment Tax (CIT)

This fund accounts for the proceeds from the half-cent sales tax revenues, established on September 3, 1996, that are restricted for specified purposes. This tax was approved by voters to be extended to December 31, 2041. The funds are primarily for capital items but can be used for public safety equipment that does not meet the capitalization threshold. The CIT Fund ended the year with a fund balance of $3,978,400, an increase of $62,981 all of which is restricted for projects as outlined in the 5-year Capital Improvement Plan.

Tax Increment Financing (TIF) Fund

The TIF Fund accounts for proceeds of specific revenue sources that are restricted or committed for the Temple Terrace Redevelopment Area. This fund has a fund balance of $903,637. Total revenue collected was $762,856, in addition to a transfer from the City of $824,961. These amounts were used for the debt service payment on the property purchased in the southeast quadrant and for services associated with operations in the Community Redevelopment Agency (CRA) district.

Insurance Premium Tax Fund

The Insurance Premium Tax Fund is used as a pass-through and for revenue collected by the State of Florida for the City's Fire and Police Pension Plans and thus has no budget.

Debt Services Fund

The Debt Services Fund Accounts for resources that are restricted, committed, or assigned to expenditure for principal and interest. The fund ended the year with a fund balance of $142,511. Expenditures and other uses are directed toward principal, interest, and other issuance costs. Transfers into this fund come from the General and Tax Increment Financing Fund Revenues.

Combining Financial Statements

Balance Sheet – Non-Major Governmental Funds

Category	Building Fund	Community Investment Tax	Tax Increment Financing	Debt Service Fund	Insurance Premium Tax Fund	Total Non-Major Govt. Fund
Assets						
Equity in pooled cash & investments	$ 98,940	$ 3,874,652	$ 908,624	$ 142,332	$ -	$ 5,024,548
Prepaid	-	-	-	-	-	-
Interest	-	2,123	-	-	-	2,123
Accounts receivable	-	-	-	179	-	179
Due from other agencies	-	101,625	-	-	-	101,625
Total assets	98,940	3,978,400	908,624	142,511	-	5,128,475
Liabilities						
Accounts Payable	1,944	-	4,987	-	-	6,931
Accrued Payroll	2,375	-	-	-	-	2,375
Accrued Liabilities	37	-	-	-	-	37
Total liabilities	4,356	-	4,987	-	-	9,343
Fund Balances						
Restricted	94,584	3,978,400	903,637	142,511	-	5,119,132
Total fund balances	94,584	3,978,400	903,637	142,511	-	5,119,132
Total liabilities, deferred inflows of resources and fund balances	$ 98,940	$ 3,978,400	$ 908,624	$ 142,511	$ -	$ 5,128,475

Revenues and Expenditures – Non-Major Governmental Combining Statement September 30, 2025

Category	Building Fund	Community Investment Tax	Tax Increment Financing	Debt Service Fund	Insurance Premium Tax Fund	Total Non-Major Govt. Fund
Revenues						
Taxes	$ -	$ 2,253,748	$ -	$ -	$ -	$ 2,253,748
Licenses & permits	467,814					467,814
Intergovernmental	765	-	725,863	-	1,166,793	1,893,421
Investment earnings (loss)	-	163,110	36,993	-	-	200,103
Other	25,747					25,747
Total revenues	494,326	2,416,858	762,856	-	1,166,793	4,840,833
Expenditures						
Public safety						
Police	-	-	-	-	797,901	797,901
Fire	-	-	-	-	368,892	368,892
Total public safety		-	-	-	1,166,793	1,166,793
General government	693,296					693,296
Economic development	-	-	6,545	-	-	6,545
Capital outlay	-	2,353,877	178,745	-	-	2,532,622
Debt Service						
Principal	-	-	-	847,824	-	847,824
Interest	-	-	-	304,628	-	304,628
Total expenditures	693,296	2,353,877	185,290	1,152,452	1,166,793	5,551,708
Excess/deficiency of revenues over/under expenditures	(198,970)	62,981	577,566	(1,152,452)	-	(511,905)
Other Financing Sources (Uses)						
Transfers in	246,618	-	824,961	1,162,270	-	2,233,849
Transfers out	-	-	(902,940)	-	-	(902,940)
Total other financing sources (uses)	246,618	-	(77,979)	1,162,270	-	1,330,909
Net change in fund balances	47,648	62,981	499,587	9,818	-	620,034
Fund balances-beginning	46,936	3,915,419	404,050	132,693	-	4,499,098
Fund balances-ending	$ 94,584	$ 3,978,400	$ 903,637	$ 142,511	$ -	$ 5,119,132

Budgetary Comparison Schedule

Non-Major Governmental Fund – Budgetary Comparison Schedule – Building Fund

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget – Positive/(Negative)
Revenues				
Licenses & permits	$ 570,868	$ 570,868	$ 467,814	$ (103,054)
Other	0	15,274	26,512	11,238
Total revenues	570,868	586,142	494,326	(91,816)
Expenditures	723,368	738,642	693,296	(45,346)
Total expenditures	723,368	738,642	693,296	(45,346)
Excess/Deficiency of Revenues Over/Under Expenditure	(152,500)	(152,500)	(198,970)	(46,470)
Other financing sources (uses)				
Transfers in	152,500	152,500	246,618	94,118
Transfers out	-	-	-	-
Total other financing sources (uses)	$ -	$ -	246,618	$ 47,648
Net change in fund balance			47,648	
Fund Balances-beginning			46,936	
Fund Balances-ending			$ 94,584	

Non-Major Governmental Fund – Budgetary Comparison Schedule – Community Investment Tax Fund

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget – Positive/(Negative)
Revenues				
Taxes	$ 1,900,000	$ 1,900,000	$ 2,253,748	$ 353,748
Investment earnings	120,000	120,000	163,110	43,110
Other	1,828,855	3,667,412	-	(3,667,412)
Total revenues	3,848,855	5,687,412	2,416,858	(3,270,554)
Expenditures				
Capital outlay	3,848,855	5,687,412	2,353,877	(3,333,535)
Total expenditures	3,848,855	5,687,412	2,353,877	(3,333,535)
Excess/deficiency of revenues Over/ under expenditure	-	-	62,981	62,981
Other financing sources (uses)				
Reserve contingency	-	-	-	-
Total other financing sources (uses)	$ -	$ -	-	$ -
Net change in fund balance			62,981	
Fund Balances-beginning			3,915,419	
Fund Balances-ending			$ 3,978,400	

Non-Major Governmental Fund - Budgetary Comparison Schedule – Tax Increment Financing Fund

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget – Positive/(Negative)
Revenues				
Intergovernmental	$ 729,480	$ 729,480	$ 725,863	$ (3,617)
Investment earnings	25,000	25,000	36,993	11,993
Appropriated fund balance	81,943	409,568	-	(409,568)
Total revenues	836,423	1,164,048	762,856	(401,192)
Expenditures	758,444	1,086,069	185,290	(900,779)
Total expenditures	758,444	1,086,069	185,290	(900,779)
Excess/deficiency of revenues over/under	77,979	77,979	577,566	499,587
Other financing sources (uses)				
Reserve contingency	-	-	-	-
Transfers in	824,961	824,961	824,961	-
Transfers out	(902,940)	(902,940)	(902,940)	-
Total other financing sources (uses)	$ -	$ -	(77,979)	$ -
Net change in fund balance			499,587	
Fund Balances-beginning			404,050	
Fund Balances-ending			$ 903,637	

Non-Major Governmental Fund – Budgetary Comparison Schedule – Debt Service Fund

Category	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget – Positive/(Negative)
Revenues				
Investment earnings	$ -	$ -	$ -	$ -
Debt issue	-	-	-	-
Other	109,188	109,188	-	(109,188)
Total revenues	109,188	109,188	-	(109,188)
Expenditures				
Debt service				
Principal	856,926	856,926	847,824	(9,102)
Interest	305,344	305,344	304,628	(716)
Other debt service cost	-	-	-	-
Total debt service	1,162,270	1,162,270	1,152,452	(9,818)
Total expenditures	1,162,270	1,162,270	1,152,452	(9,818)
Excess/deficiency of revenues over/under expenditure	(1,053,082)	(1,053,082)	(1,152,452)	(99,370)
Other financing sources (uses)				
Transfers in	1,162,270	1,162,270	1,162,270	-
Transfer out	(109,188)	(109,188)	-	109,188
Proceeds from issuance of debt	-	-	-	-
Principal paid – current refunding	-	-	-	-
Total other financing sources (uses)	$ -	$ -	1,162,270	$ 109,188
Net change in fund balances			9,818	
Fund Balances-beginning			132,693	
Fund Balances-ending			$ 142,511	

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STATISTICAL SECTION— UNAUDITED

Financial Trends
Revenue Capacity
Debt Capacity
Demographic and Economic Information
Operating Information

FINANCIAL TRENDS

The schedules in this section contain trend information to help the reader understand how the municipal governments' financial performance and well-being have changed over time.

This section includes the following tables:

- Net Position by Component
- Changes in Net Position
- Fund Balances, Governmental Funds
- Changes in Fund Balances, Governmental Funds

Net Position by Component Years 2025-2016

Category	2025	2024	2023	2022	2021
Government Activities:					
Net investment in capital assets	$56,791,793	$51,753,438	$51,277,642	$50,596,499	$50,712,410
Restricted	14,258,469	18,836,518	11,484,233	11,566,347	12,464,826
Unrestricted	(23,439,524)	(24,687,384)	(24,344,546)	(34,771,722)	(40,777,458)
Total govt. activities net positions	$47,610,738	$45,902,572	$38,417,329	$27,391,124	$22,399,778
Business-type activities:					
Net investment in capital assets	$37,279,199	$31,534,730	$31,001,573	$31,648,304	$30,550,876
Restricted	6,495,567	11,065,095	11,982,013	10,039,824	8,179,307
Unrestricted	9,065,440	6,617,047	2,615,462	2,232,168	4,021,983
Total business-type activities net position	$52,840,206	$49,216,872	$45,599,048	$43,920,296	$42,752,166
Primary govt:					
Net investment in capital assets	$94,070,992	$83,288,168	$82,279,215	$82,244,803	$81,263,286
Restricted	20,754,036	29,901,613	28,908,798	21,606,171	20,644,133
Unrestricted	(14,374,084)	(18,070,337)	(27,166,635)	(32,539,554)	(36,755,475)
Total primary govt. net position	$100,450,944	$95,119,444	$84,021,378	$71,311,420	$65,151,944

Net Position by Component Years 2025-2016 Continued.

Category *(Continued)*	2020	2019	2018	2017	2016
Government Activities:					
Net investment in capital assets	$49,209,109	$47,653,238	$44,460,729	$44,751,620	$45,787,690
Restricted	10,617,619	4,126,448	4,658,338	4,257,394	3,293,605
Unrestricted	(42,950,491)	(41,506,771)	(50,868,928)	(51,603,235)	(46,842,232)
Total govt. activities net positions	$16,876,237	$10,272,915	$(1,749,861)	$(2,594,221)	$2,239,063
Business-type activities:					
Net investment in capital assets	$28,937,979	$28,295,964	$27,409,412	$27,755,329	$27,161,205
Restricted	1,000,600	4,543,652	2,389,118	3,854,474	4,581,463
Unrestricted	11,471,663	6,168,086	7,791,634	3,749,575	2,484,072
Total business-type activities net position	$41,410,242	$39,007,702	$37,590,164	$35,359,378	$34,226,740
Primary govt:					
Net investment in capital assets	$78,147,088	$75,949,202	$71,870,141	$72,506,949	$72,948,895
Restricted	11,618,219	8,670,100	7,047,456	8,111,868	7,875,068
Unrestricted	(31,478,828)	(35,338,685)	(43,077,294)	(47,853,660)	(44,358,160)
Total primary govt. net position	$58,286,479	$49,280,617	$35,840,303	$32,765,157	$36,465,803

Note: Prior year fund balances may be adjusted for restatements.

Changes in Net Position Years 2025-2016

Category	2025	2024	2023	2022	2021
Governmental activities expenses:					
General government	$7,111,436	$6,716,796	$5,757,362	$9,158,266	$4,598,168
Public safety	23,532,818	22,224,980	21,475,403	17,183,846	18,250,918
Public works	8,494,135	5,217,441	4,541,637	3,997,724	3,821,354
Economic environment	13,171	195,604	218,678	143,019	141,044
Culture and recreation	5,516,459	4,600,066	4,715,456	4,248,584	3,998,113
Interest on long-term debt	304,628	349,269	397,746	419,857	492,190
Total governmental activities	44,972,647	39,304,156	37,106,282	35,151,296	31,301,787
Business-type activities expenses:					
Water/sewer	16,230,571	15,862,720	14,325,651	13,662,821	12,151,775
Sanitation	6,261,245	4,380,465	4,773,576	4,414,492	4,160,646
Total Business-type activities	22,491,816	20,243,185	19,099,227	18,077,313	16,312,421
Total primary government expenses	$67,464,463	$59,547,341	$56,205,509	$53,228,609	$47,614,208
Governmental activities program revenues:					
Charges for services					
General government	$5,277,248	$6,018,350	$5,674,624	$5,544,960	$8,435,936
Public safety	1,991,358	1,878,916	2,202,957	2,275,065	1,447,254
Public works	0	242,425	218,194	0	96,418
Economic environment	0	0	0	0	91,767
Culture and recreation	1,146,754	1,100,802	1,089,132	830,571	823,321
Operating grants and contributions	865,829	1,056,760	363,225	2,435,432	448,500
Capital grants and contributions	3,489,256	1,800,534	1,458,124	2,882,656	1,216,812
Total govt. activities	12,770,445	12,097,787	11,006,256	13,968,684	12,560,008
Business-type activities program revenues:					
Charges for services					
Water/sewer	18,317,115	17,053,244	14,935,588	14,029,837	13,575,256
Sanitation	5,982,593	5,257,080	4,390,549	4,081,606	4,006,294
Capital grants and contributions	177,500	412,901	2,266,589	1,151,150	175,719
Total Business-Type activities	24,477,208	22,723,225	21,592,726	19,262,593	17,757,269
Total primary govt. program revenues	$37,247,653	$34,821,012	$32,598,982	$33,231,277	$30,317,277

(Continued)

Changes in Net Position Years 2025-2016 Continued

Category *(Continued)*	2025	2024	2023	2022	2021
Net (expense)/revenue					
Governmental activities	$(32,202,202)	$(27,206,369)	$(26,100,026)	$(21,182,612)	$(18,741,779)
Business-Type activities	1,985,392	2,480,040	2,493,499	1,185,280	1,444,848
Total primary government net exp	$(30,216,810)	$(24,726,329)	$(23,606,527)	$(19,997,332)	$(17,296,931)
General Revenues & Other Changes in Net Position					
Governmental activities					
Taxes	$31,827,331	$30,828,943	$29,293,409	$25,239,324	$23,168,600
Unrestricted grants and contributions	50,816	55,192	61,720	96,598	537,469
Unrestricted investment earnings	2,142,700	2,590,264	1,803,613	263,768	93,422
Miscellaneous	1,182,674	1,022,792	445,868	389,211	283,617
Special items	0	0	0	0	0
Transfers	(1,316,913)	121,521	5,520,981	94,919	114,193
Gain on Sale	23,760	72,899	642	90,138	68,019
Total governmental activities	33,910,368	34,691,611	37,126,233	26,173,958	24,265,320
Business-type activities					
Investment earnings	695,343	809,239	666,671	48,117	6,845
Gain/ (loss)on sale	(374,314)	450,066	4,039,563	29,656	4,424
Transfers	1,316,913	(121,521)	(5,520,981)	(94,919)	(114,193)
Total Business-type activities	1,637,942	1,137,784	(814,747)	(17,146)	(102,924)
Total primary govt. general revenues & other changes in net position	$35,548,310	$35,829,395	$36,311,486	$26,156,812	$24,162,396
Change in net position					
Governmental activities	$1,708,166	$7,485,242	$11,026,206	$4,991,346	$5,523,541
Business-type activities	3,623,334	3,617,824	1,678,752	1,168,134	1,341,924
Total primary government change in net position	$5,331,500	$11,103,066	$12,704,958	$6,159,480	$6,865,465

(Continued)

Changes in Net Position Years 2025-2016 Continued

Category *(Continued)*	2020	2019	2018	2017	2016
Governmental activities expenses:					
General government	$4,963,781	$4,592,368	$3,502,838	$3,934,517	$4,084,662
Public safety	16,182,158	16,258,631	16,139,381	15,865,516	13,994,461
Public works	3,600,834	3,549,952	2,230,417	2,462,894	2,578,207
Economic environment	136,528	124,898	24,578	104,227	144,613
Culture and recreation	3,814,412	3,751,207	4,904,099	3,837,790	3,961,717
Interest on long-term debt	626,933	945,751	913,958	685,104	719,237
Total governmental activities	29,324,646	29,222,807	27,715,271	26,890,048	25,482,897
Business-type activities expenses:					
Water/sewer	11,653,998	11,777,469	10,518,652	10,075,846	10,207,950
Sanitation	3,768,232	3,669,630	3,436,279	3,577,213	3,470,280
Total Business-type activities	15,422,230	15,447,099	13,954,931	13,653,059	13,678,230
Total primary government expenses	$44,746,876	$44,669,906	$41,670,202	$40,543,107	$39,161,127
Governmental activities program revenues:					
Charges for services					
General government	$5,939,285	$5,498,932	$4,300,664	$4,408,774	$4,585,227
Public safety	1,463,839	1,548,494	1,765,176	1,147,181	739,889
Public works	101,022	101,742	100,344	105,122	93,309
Economic environment	0	0	0	0	0
Culture and recreation	635,617	1,097,026	1,065,043	1,086,548	898,252
Operating grants and contributions	1,386,621	407,108	85,884	440,904	508,094
Capital grants and contributions	1,935,574	600,138	195,842	122,327	104,862
Total govt. activities	11,461,958	9,253,440	7,512,953	7,310,856	6,929,633
Business-type activities program revenues:					
Charges for services					
Water/sewer	13,183,625	12,697,226	12,295,439	12,022,271	11,452,554
Sanitation	3,677,210	3,660,413	3,655,813	3,517,384	3,591,451
Capital grants and contributions	1,000,600	320,089	125,190	47,975	270,928
Total Business-Type activities	17,861,435	16,677,728	16,076,442	15,587,630	15,314,933
Total primary govt. program revenues	$29,323,393	$25,931,168	$23,589,395	$22,898,486	$22,244,566

(Continued)

Changes in Net Position Years 2025-2016 Continued

Category *(Continued)*	2020	2019	2018	2017	2016
Net (expense)/ revenue					
Governmental activities	$(17,862,688)	$(19,969,367)	$(20,202,318)	$(19,579,192)	$(18,553,264)
Business-type activities	2,439,205	1,230,629	2,121,511	1,934,571	1,636,703
Total primary government net exp	$(15,423,483)	$(18,738,738)	$(18,080,807)	$(17,644,621)	$(16,916,561)
General revenues & other changes in net position					
Governmental activities					
Taxes	$23,112,488	$22,817,355	$20,495,681	$19,587,652	$18,344,753
Unrestricted grants and contributions	409,499	38,679	22,802	69,367	52,311
Unrestricted investment earnings	199,235	389,277	210,031	85,422	57,605
Miscellaneous	513,592	1,359,141	318,164	180,928	244,837
Special items	0	0	0	0	0
Transfers	121,568	0	0	0	424,732
Gain on Sale	109,628	8,087,690	0	0	0
Total governmental activities	24,466,010	32,692,142	21,046,678	19,923,369	19,124,238
Business-Type activities					
Investment earnings	79,524	186,908	109,275	50,999	28,851
Capital contributions	0	0	0	0	0
Special items	0	0	0	0	0
Gain on sale	5,379	0	0	0	0
Transfers	(121,568)	0	0	0	(424,732)
Total Business-type activities	36,665	186,908	109,275	50,999	(395,881)
Total primary government	$24,429,345	$32,879,050	$21,155,953	$19,974,368	$18,728,357
Change in Net Position					
Governmental activities	$6,603,322	$12,022,776	$844,360	$344,177	$570,974
Business-type activities	$2,402,540	$1,417,538	2,230,786	1,985,570	1,240,822
Total primary government change in net position	$9,005,862	$13,440,314	$3,075,146	$2,329,747	$1,811,796

Beginning in Fiscal Year 2011, due to implementation of GASB Statement No. 54, fund balance is now reported as follows:

Fund Balances, Governmental Funds: Years 2025-2016

Category	2025	2024	2023	2022	2021
General Fund					
Non-spendable	$1,962,099	$1,863,552	$711,196	$781,960	$1,073,025
Restricted	884,160	661,336	572,968	1,818,423	1,426,005
Committed	1,365,952	1,256,984	1,269,884	0	0
Assigned	2,131,792	2,542,078	4,167,667	0	0
Unassigned	15,068,913	20,240,146	17,976,094	12,735,567	10,148,319
Total general fund	21,412,916	26,564,096	24,697,809	15,335,950	12,647,349
All other governmental funds					
Restricted, reported in Special Revenue Funds:					
Special revenue funds	13,326,382	13,491,404	10,838,350	9,743,384	11,038,821
Special revenue funds assigned	0	0	0	0	0
Debt service fund	142,511	132,693	72,915	4,540	0
Capital projects fund	0	0	0	0	0
Unrestricted, reported in debt service fund	0	0	0	0	0
Total all other governmental funds	13,468,893	13,624,097	10,911,265	9,747,924	11,038,821
Total fund balance all governmental funds	$34,881,809	$40,188,193	$35,609,074	$25,083,874	$23,686,170

(Continued)

Fund Balances, Governmental Funds: Years 2025-2016 Continued

Category *(Continued)*	2020	2019	2018	2017	2016
General Fund					
Non-spendable	$2,025,273	$2,116,815	$2,183,112	$2,703,833	$2,735,860
Restricted	1,386,911	812,834	404,490	335,451	325,705
Committed	0	0	0	116,591	116,591
Assigned	214,400	1,096,969	1,361,843	488,271	94,653
Unassigned	7,515,095	5,485,173	6,314,505	5,975,077	6,157,984
Total general fund	11,141,679	9,511,791	10,263,950	9,619,223	9,430,793
All other governmental funds					
Restricted, reported in Special Revenue Funds:					
Special revenue funds	9,230,708	3,313,614	4,253,848	3,921,943	2,967,900
Special revenue funds assigned	0	1,825,693	0	0	0
Debt service fund	0	0	0	0	0
Capital projects fund	0	0	0	0	0
Unrestricted, reported in debt service fund	0	0	0	(288,533)	(288,533)
Total all other governmental funds	9,230,708	5,139,307	4,253,848	3,633,410	2,679,367
Total fund balance all governmental funds	$20,372,387	$14,651,098	$14,517,798	$13,252,633	$12,110,160

Changes in Fund Balances, Governmental Funds: Years 2025-2016

Category	2025	2024	2023	2022	2021
Revenues					
Taxes	$27,735,286	$25,634,082	$24,208,647	$20,422,676	$18,829,595
Licenses and permits	584,186	472,004	801,585	623,336	597,990
Franchise Fees	2,988,152	2,920,440	2,907,125	2,449,584	2,042,049
Intergovernmental	9,438,584	8,169,016	6,926,601	8,539,319	9,008,048
Charges for services	3,258,011	3,267,382	2,924,861	4,841,673	4,463,706
Fines and forfeitures	103,260	158,848	68,984	87,766	83,631
Investment earnings/ (loss)	2,142,701	2,590,265	1,803,613	263,768	93,423
Contributions and donations	1,452,015	1,932,562	2,069,758	1,819,549	756,609
Other	1,438,975	1,452,948	900,402	909,914	768,066
Total revenues	49,141,170	46,597,547	42,611,576	39,957,585	36,643,117
Expenditures					
General government	7,327,882	6,143,927	5,370,887	9,008,027	4,420,020
Public safety	24,173,643	21,918,706	18,612,417	18,223,025	17,065,356
Culture & recreation	4,695,912	4,354,527	3,930,413	3,538,181	3,313,300
Public works	7,233,578	3,501,735	3,515,266	2,998,868	2,774,057
Economic development	13,250	192,764	215,968	151,426	0
Capital outlay	8,557,267	4,427,422	2,932,818	2,762,803	4,233,053
Debt service					
Principal	847,824	865,401	2,266,672	1,363,197	941,467
Interest	304,628	349,269	397,747	419,857	468,600
Debt issuance	0	0	0	0	23,590
Total expenditures	53,153,984	41,753,751	37,242,188	38,465,384	33,239,443
Excess (deficiency) of revenues over expenditures	(4,012,814)	4,843,796	5,369,388	1,492,201	3,403,674
Other financing sources (uses)					
Debt Proceeds	0	0	0	0	12,791,000
Proceeds of refunding debt	0	0	0	0	(12,791,000)
Transfers in	2,233,849	2,257,222	7,095,408	1,539,635	1,426,262
Transfers out	(3,550,762)	(2,594,798)	(1,939,596)	(1,724,270)	(1,584,171)
Sale of capital assets	23,343	72,899	0	90,138	68,019
Total other financing sources (uses)	(1,293,570)	(264,677)	5,155,812	(94,497)	(89,890)
Net Change in fund balances	$(5,306,384)	$4,579,119	$10,525,200	$1,397,704	$3,313,784
Debt service as a percentage of noncapital expenditures	1.95%	3.25%	7.77%	4.99%	4.86%

Category *(Continued)*	2020	2019	2018	2017	2016
Revenues					
Taxes	$17,596,720	$17,169,109	$16,604,502	$15,852,483	$14,593,675
Licenses and permits	1,375,473	533,115	501,501	438,681	550,196
Franchise Fees	1,817,150	1,958,869	1,980,430	1,746,693	1,810,122
Intergovernmental	8,021,111	6,495,310	4,416,439	4,529,581	4,360,329
Charges for services	4,111,565	4,466,720	4,258,697	4,109,960	3,653,272
Fines and forfeitures	60,344	478,183	220,566	157,134	190,095
Investment earnings/ (loss)	199,366	389,277	210,030	85,422	57,605
Contributions and donations	1,553,241	504,350	118,453	102,160	197,043
Other	961,939	1,862,955	179,809	138,131	216,802
Total revenues	35,696,909	33,857,888	28,490,427	27,160,245	25,629,139
Expenditures					
General government	4,822,656	4,575,473	4,336,604	4,013,152	4,023,549
Public safety	15,297,484	16,675,447	14,817,011	14,700,131	13,330,262
Transportation & Public Works	3,167,988	3,369,453	1,444,507	1,201,944	1,336,109
Culture & Recreation	2,621,015	2,626,343	3,616,480	3,507,684	3,441,957
Capital outlay	2,114,143	0	1,706,285	1,512,882	4,147,878
Debt service					
Principal	1,168,439	5,106,145	24,104,621	470,855	1,322,541
Interest	586,933	8,513,667	815,630	685,104	692,006
Debt issuance	40,000	945,751	98,328	0	27,231
Total expenditures	29,818,659	41,812,279	50,939,466	26,091,752	28,321,533
Excess (deficiency) of revenues over expenditures	5,878,244	(7,954,391)	(22,449,039)	1,068,493	(2,692,394)
Other financing sources (uses)					
Debt proceeds	0	0	23,645,000	0	24,410,000
Proceeds of refunding debt	13,235,000	0	0	0	(24,335,000)
Transfers in	(13,235,000)	0	1,779,824	1,240,043	2,882,275
Transfers out	3,371,108	1,964,430	(1,779,824)	(1,240,043)	(2,482,275)
Payment to escrow agent	(3,637,691)	(1,964,430)	0	0	0
Sale of capital assets	109,628	8,087,690	69,204	73,980	9,191
Total other financing sources (uses)	(156,955)	8,087,690	23,714,204	73,980	484,191
Net change in fund balances	$5,721,289	$133,299	$1,265,165	$1,142,473	$(2,208,203)
Debt service as a percentage of noncapital expenditures	6.34%	32.57%	50.62%	4.70%	8.30%

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REVENUE CAPACITY

The schedules in this section contain information to help the reader assess all revenue sources and the municipal governments' most significant local revenue source, property tax.

This section includes the following tables:

- Government Wide Revenues
- Government Wide Expenses by Function
- General Government Revenues by Sources
- General Government Expenditures by Function
- Property Tax Levy and Collections
- Assessed and Estimated True Value of Taxable Property
- Property Tax Rates—Direct and Overlapping Governments

Government Wide Revenues

	PROGRAM REVENUES			GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Grants & Contributions Not Restricted to Specific Programs	Unrestricted Investment Earnings	Misc.	Transfers	Total
2025	$32,715,068	$865,829	$3,666,756	$31,827,331	$50,816	$2,838,043	$832,120	$0	$72,795,963
2024	31,550,817	1,056,760	2,213,435	30,828,943	55,192	3,399,503	1,545,757	0	70,650,407
2023	28,511,043	363,226	3,724,713	29,293,409	61,720	2,470,284	4,486,074	0	68,910,469
2022	26,762,039	2,435,432	4,033,806	25,239,324	96,598	311,885	509,005	0	59,388,089
2021	28,476,246	448,500	1,392,531	23,168,600	537,469	100,267	356,060	0	54,479,673
2020	25,000,598	1,386,621	2,936,174	23,112,488	409,499	278,759	628,599	0	53,752,738
2019	24,603,833	407,108	920,227	22,817,355	38,679	576,185	9,446,831	0	58,810,218
2018	23,182,479	85,884	321,032	20,495,681	22,802	319,306	318,164	0	44,745,348
2017	22,287,280	440,904	170,302	19,587,652	69,367	133,321	184,028	0	42,872,854
2016	21,360,682	508,094	375,790	18,344,753	52,311	86,456	244,837	0	40,972,923

Government Wide Expenses by Function

Fiscal Year	General Govt.	Public Safety	Public Works	Economic Development	Culture & Rec.	Other General Govt	Water & Sewer	Sanitation	Total
2025	$7,111,436	$23,532,818	$8,494,135	$13,171	$5,516,459	$304,628	$16,230,571	$6,261,245	$67,464,463
2024	6,716,796	22,224,980	4,600,066	195,604	5,217,441	349,269	15,862,720	4,380,465	59,547,341
2023	5,757,362	21,475,403	4,541,637	218,678	4,715,456	397,746	14,325,651	4,773,576	56,205,509
2022	9,158,267	17,183,846	3,997,724	143,019	4,248,584	419,857	13,662,820	4,414,492	53,228,609
2021	4,598,168	18,250,918	3,821,354	141,044	3,998,113	492,190	12,151,775	4,160,646	47,614,208
2020	4,963,781	16,182,157	3,600,834	136,528	3,814,412	626,933	11,653,998	3,768,232	44,746,875
2019	4,592,368	16,958,631	3,549,952	124,898	3,751,207	945,751	11,777,469	3,669,630	45,369,906
2018	3,502,838	16,139,381	2,230,417	24,578	4,904,099	913,958	10,518,652	3,436,279	41,670,202
2017	3,934,517	15,865,516	2,462,894	104,227	3,837,790	685,104	10,075,846	3,577,213	40,543,107
2016	4,084,662	13,994,461	2,578,207	144,613	3,961,717	719,237	10,207,950	3,470,280	39,161,127

General Government Revenues by Sources

Fiscal Year	Taxes	Licenses & Permits	Franchise Fees	Intergovt.	Charges for Services	Other	Total General Government Revenues
2025	$27,735,286	$584,186	$2,988,152	$9,438,584	$3,258,011	$5,136,951	$49,141,170
2024	25,634,082	472,004	2,920,440	8,169,016	3,267,382	6,134,623	46,597,547
2023	24,208,647	801,585	2,907,125	6,926,601	2,924,861	4,842,758	42,611,577
2022	20,422,676	623,336	2,449,584	8,539,319	4,841,673	3,080,997	39,957,585
2021	18,829,595	597,990	2,042,049	9,008,048	4,463,706	1,701,729	36,643,117
2020	17,596,720	1,375,473	1,817,150	8,021,111	4,111,565	2,774,884	35,696,903
2019	17,169,109	533,115	1,958,869	6,495,309	4,466,720	3,234,765	33,857,887
2018	16,604,502	501,501	1,980,430	4,416,439	4,258,697	728,858	28,490,427
2017	15,852,483	438,681	1,746,693	4,529,581	4,109,960	482,847	27,160,245
2016	14,593,675	550,196	1,810,122	4,360,329	3,653,272	661,545	25,629,139

General Government Expenditures by Function

Fiscal Year	General Government	Public Safety	Culture & Recreation	Public Works	*Economic Development	Capital Outlay	Debt Service	Total
2025	$7,327,882	$24,173,643	$4,695,912	$7,233,578	$13,250	$8,557,267	$1,152,452	$53,153,984
2024	6,143,927	21,918,706	4,354,527	3,501,735	192,764	4,427,422	1,214,670	41,753,751
2023	5,370,887	18,612,419	3,930,413	3,515,266	215,967	2,932,818	2,664,418	37,242,188
2022	9,008,027	18,223,025	3,538,181	2,998,868	151,426	2,762,803	1,783,054	38,465,384
2021	4,420,020	17,065,356	3,313,300	2,774,057	0	4,233,053	1,433,657	33,239,443
2020	4,822,656	15,297,485	3,167,988	2,621,015	0	2,114,143	1,795,372	29,818,659
2019	4,575,473	16,675,447	3,369,453	2,626,343	0	5,106,145	9,459,418	41,812,279
2018	4,336,604	14,817,011	3,616,480	1,444,507	0	1,706,285	25,018,579	50,939,466
2017	4,013,152	14,700,131	3,507,684	1,201,944	0	1,512,882	1,155,959	26,091,752
2016	4,023,549	13,330,262	3,441,957	1,336,109	0	4,147,878	2,041,778	28,321,533

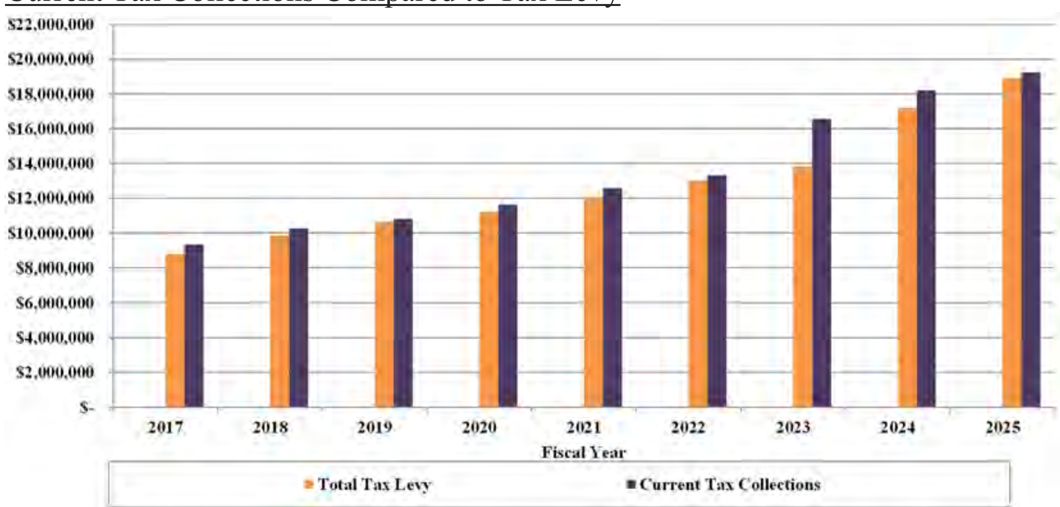
* Economic Development broken-out in FY 2023 to better reflect the format of the Statement of Activities

Property Tax Levies and Collections

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as % of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes as % of Current Levy
2025	$19,908,151	$19,249,317	96.7%	$10,533	$19,259,850	96.7%	$648,301	3.26%
2024	18,901,712	18,208,961	96.3%	(6,413)	18,202,548	96.3%	699,164	3.70%
2023	17,188,125	16,570,245	96.4%	(666)	16,569,579	96.4%	618,546	3.60%
2022	13,827,305	13,308,871	96.3%	41,991	13,350,862	96.6%	476,443	3.45%
2021	13,038,137	12,571,191	96.4%	9,345	12,580,536	96.5%	457,601	3.51%
2020	12,057,457	11,625,285	96.4%	32,182	11,657,467	96.7%	399,990	3.32%
2019	11,221,537	10,805,783	96.3%	18,362	10,824,145	96.5%	397,392	3.54%
2018	10,631,668	10,263,530	96.5%	40,563	10,304,093	96.9%	327,575	3.08%
2017	9,840,209	9,322,752	94.7%	187,163	9,509,915	96.6%	330,294	3.36%
2016	8,779,489	8,444,965	96.2%	7,739	8,452,704	96.3%	326,785	3.72%

Source: Hillsborough County Tax Collector

Current Tax Collections Compared to Tax Levy



Assessed and Estimated True Value of Taxable Property

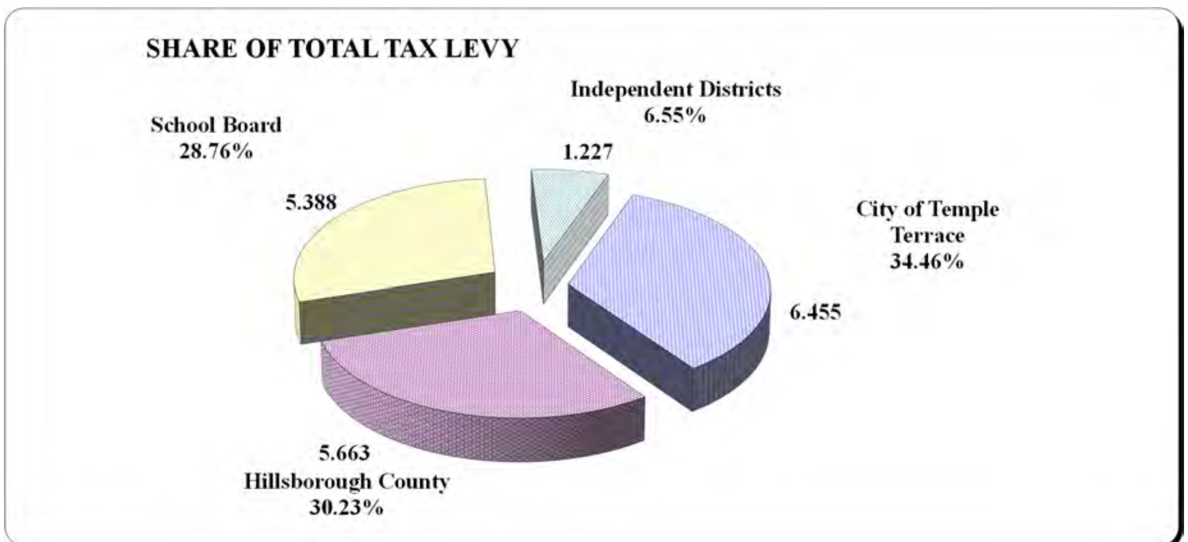
Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Less Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Net Estimated True Value	Ratio of Net Assessed to True Value %
2025	$3,124,721,278	$487,729,190	$528,306,216	$3,084,144,252	6.455	$4,444,496,166	69%
2024	2,953,344,611	481,005,350	508,121,950	2,928,228,011	6.455	4,249,838,233	69%
2023	2,721,298,687	419,986,570	464,860,014	2,676,425,243	6.455	3,942,851,496	68%
2022	2,264,983,874	294,077,850	439,750,773	2,119,310,951	6.555	2,916,245,079	73%
2021	2,140,674,686	298,557,920	482,577,579	2,010,655,027	6.555	2,725,735,976	74%
2020	2,012,695,825	244,405,320	410,351,035	1,846,750,110	6.555	2,545,450,032	73%
2019	1,870,927,556	249,386,420	390,832,248	1,729,481,728	6.555	2,399,636,313	72%
2018	1,684,079,334	182,564,810	369,602,506	1,497,041,638	6.955	2,121,763,301	71%
2017	1,705,271,469	178,196,500	356,783,155	1,526,684,814	7.205	1,883,467,969	81%
2016	1,560,204,397	155,911,850	340,039,072	1,376,077,175	7.205	1,715,964,587	80%

Source: Hillsborough County Property Appraiser

Property Tax Rates—Direct and Overlapping Governments

Fiscal Year	City Operating Millage	County Operating Millage (A)	School Operating Millage (A)	Special Districts Operating Millage (A)	Total Millage Rates
2025	6.455	5.663	5.388	1.227	18.733
2024	6.455	5.791	5.400	1.240	18.886
2023	6.455	5.791	5.487	1.269	19.002
2022	6.555	5.791	5.849	1.306	19.501
2021	6.555	5.791	5.967	1.325	19.638
2020	6.555	5.791	6.414	1.369	20.129
2019	6.555	5.791	6.414	1.369	20.129
2018	6.955	5.791	6.596	1.402	20.744
2017	7.205	5.793	6.906	1.104	21.008
2016	6.955	5.734	7.247	1.523	21.459

Source: Hillsborough County Property Appraiser
(A) Overlapping Rates



DEBT CAPACITY

The schedules in this section include information to help the reader assess the affordability of the municipal governments' current levels of outstanding debt and the municipal governments' ability to issue additional debt in the future.

This section includes the following tables:

- Ratios of Outstanding Debt by Type
- Computation of Direct & Overlapping Debt
- Schedule of Revenue Bond Coverage

Ratios of Outstanding Debt by Type

Fiscal Year	Capital Improvement Notes (A)	Utility System Revenue Bonds (B)	SBITA Liability (A & B)	Total Primary Government	% of Personal Income	Debt per Capital
2025	$10,004,856	$0	$1,464,970	$11,469,826	1.07%	$413.45
2024	10,852,679	0	630,462	11,483,141	0.65%	421.01
2023	11,676,896	0	635,727	12,312,623	0.73%	452.55
2022	13,720,538	0	0	13,720,538	1.18%	507.92
2021	15,092,838	0	0	15,092,838	1.66%	565.49
2020	16,034,306	0	0	16,034,306	1.73%	582.28
2019	17,202,745	0	0	17,202,745	2.08%	648.86
2018	25,716,412	0	0	25,716,412	3.28%	970.83
2017	26,971,033	325,000	0	27,296,033	3.50%	1,041.28
2016	26,646,888	325,000	0	26,971,888	3.48%	1,044.61

(A) governmental activities
(B) business type activities

Details regarding the City's outstanding debt can be found in the notes to the financial statements. See demographic and economic statistics for personal income and population data.

Computation of Direct & Overlapping Debt

Category	Net Debt Outstanding	City of Temple Terrace % of Debt	City of Temple Terrace Amount of Debt (A)
Direct Debt			
City of Temple Terrace	$11,469,826	100%	$11,469,826
Overlapping Debt			
School Board of Hillsborough County	469,925,000	1.85%	8,693,613
Hillsborough County, County-Wide Debt Service	156,695,000	1.85%	2,898,858
Total AD Valorem supported debt	$626,620,000		11,592,471
Total direct and overlapping			$23,062,297

Schedule of Revenue Bond Coverage

Fiscal Year Ended Sept 30	Gross Revenue (A)	Expenses (B)	Net Revenue Available for Debt Service	Principal Debt Service Requirements	Interest debt Service Requirements	Total Debt Service Requirements	Coverage Percentage
2025	$0	$0	$0	$0	$0	$0	0%
2024	0	0	0	0	0	0	0%
2023	0	0	0	0	0	0	0%
2022	0	0	0	0	0	0	0%
2021	0	0	0	0	0	0	0%
2020	0	0	0	0	0	0	0%
2019	0	0	0	0	0	0	0%
2018	0	0	0	0	0	0	0%
2017	12,022,271	5,065,765	6,956,506	325,000	13,507	338,507	2055%
2016	11,476,512	4,993,152	6,483,360	325,000	13,508	338,508	1915%

(A) Includes interest earnings
(B) Operating expenses exclude depreciation and payments to the City of Tampa

DEMOGRAPHIC & ECONOMIC DATA

The schedules in this section offer demographic and economic indicators to help the reader understand the environment within with the City's financial activities take place.

This section includes the following tables:

- Demographic Statistics
- Principal Taxpayers
- Principal Employers in Hillsborough County
- Principal Utility Customers

Demographic Statistics

Fiscal Year	Population (A)	Personal Income	Per Capita Income (F)	Median Age (E)	Median Education Level in Years of Formal Schooling (C)	School Enrollment (B)	Hillsborough County Unemployment Rate (D)	State of Florida Unemployment Rate (D)	United states Unemployment Rate (D)
2025	27,742	$1,068,427,646	$38,513	34.50	15.0	3,297	4.5%	4.3%	4.3%
2024	27,275	1,773,570,832	$40,080	34.0	14.7	3,350	3.5%	3.3%	4.1%
2023	27,207	1,698,124,905	62,415	34.0	14.4	3,381	3.1%	3.1%	3.7%
2022	27,013	1,162,450,429	43,033	37.2	14.3	3,289	2.1%	2.7%	3.5%
2021	26,690	909,194,850	34,065	33.1	14.1	NA (1)	3.7%	3.9%	4.7%
2020	27,537	925,298,274	33,602	31.9	14.1	3,337	5.3%	7.7%	8.1%
2019	26,512	828,128,832	31,236	34.1	14.1	3,607	3.1%	3.2%	3.7%
2018	26,489	782,988,351	29,559	35.3	13.2	3,405	3.3%	3.6%	3.9%
2017	26,214	779,997,570	29,755	35.2	14.2	3,422	3.8%	4.2%	4.4%
2016	25,820	774,496,720	29,996	35.2	14.2	3,488	4.4%	4.8%	4.9%

Source:
(A) Budget
(B) School Board of Hillsborough County
(C) http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS
(D) https://stats.bls.gov/data/#unemployment
(E) https://datausa.io/profile/geo/temple-terrace-fl/
(F) https://florida.hometownlocator.com/fl/hillsborough/temple-terrace.cfm#demographic

-(1) Due to the uncertainty of the impact of COVID-19, enrollment projections are unavailable.

Note: Specific statistics for per capita income, median age, education level in years of formal schooling, and unemployment rate are available for the City of Temple Terrace only for census years. The Hillsborough County-wide average has been substituted for informational comparisons only.

Principal Taxpayers

Taxpayers	Type of Business	2025 Taxable Assessed Value	2025 Rank	% of Total City Assessed Value	2016 Taxable Assessed Value	2016 Rank	% of Total City Assessed Value
Amazon Fulfillment Center	Warehouse	$198,961,900	1	6.45%	N/A	N/A	N/A
Park At Valenza	Apartments	82,724,300	2	2.68%	N/A	N/A	N/A
Verizon Data Services	Offices	75,159,900	3	2.44%	$41,185,300	1	3.25%
Addison At Tampa Oaks	Apartments	49,833,500	4	1.62%	N/A	N/A	N/A
MMA Tampa Oaks (Village Oaks)	Condominiums	36,449,200	5	1.18%	N/A	N/A	N/A
VA Medical Clinic	Offices	35,158,100	6	1.14%	N/A	N/A	N/A
Intellicenter	Offices	29,183,200	7	0.95%	N/A	N/A	N/A
Reserve At Temple Terrace (Boardwalk)	Apartments	28,560,000	8	0.93%	13,817,800	4	1.09%
Waverly Terrace	Apartments	28,198,882	9	0.91%	N/A	N/A	N/A
Fisherman's Landing	Apartments	27,302,600	10	0.89%	14,565,500	3	1.15%
Riverside @ Telecom Park	Offices	24,540,000	11	0.80%	10,847,980	10	0.86%
Grove at Temple Terrace	Apartments	22,308,500	12	0.72%	N/A	N/A	N/A
Laurel Oaks	Apartments	20,732,400	13	0.67%	N/A	N/A	N/A
Summit West	Apartments	19,793,600	14	0.64%	11,175,670	9	0.88%
Doral Oaks	Apartments	18,881,100	15	0.61%	12,076,700	7	0.95%
Florida Orthopaedic Institute	Offices	18,806,500	16	0.61%	12,792,400	6	1.01%
River Chase at River Hills	Apartments	N/A	N/A	N/A	39,533,450	2	3.12%
Osprey Tampa Oaks, LLC	Offices	N/A	N/A	N/A	12,916,000	5	1.02%
LSREF3 Bravo LLC	Offices	N/A	N/A	N/A	11,611,600	8	0.92%
Totals		$716,593,682		23.23%	$116,461,350		9.18%

FY 2025 Assessed Value: $3,084,144,252
FY 2016 Assessed Value: $1,268,099,151

Principal Employers in Hillsborough County

		2025			2016		
Employer	**Type of Business**	**Employees**	**Rank**	**%**	**Employees**	**Rank**	**%**
Publix	Supermarket	47,166	1	5.31%	7,732	5	1.18%
Baycare Health System	Medical Facility	33,631	2	3.78%	6,243	7	0.95%
Hillsborough County School District	Government	23,000	3	2.59%	26,195	1	3.98%
HCA West Florida Division	Medical Facility	21,000	4	2.36%	3,886	14	0.59%
MacDill Air Force Base	Military Base	16,800	5	1.89%	19,978	2	3.04%
University of South Florida	Education Services	16,280	6	1.83%	13,902	3	2.11%
Tampa General Hospital	Medical Facility	12,409	7	1.40%	5,378	9	0.82%
AdventHealth West Florida Division	Medical Facility	12,000	8	1.35%	6,000	8	0.91%
Citigroup	Bank	10,800	9	1.22%	N/A	N/A	N/A
Hillsborough County Government	Government	10,093	10	1.14%	9,331	4	1.42%
Tampa International Airport	International Airport	N/A	N/A	N/A	7,000	6	1.06%
Busch Entertainment Corporation	Tourist Attraction	N/A	N/A	N/A	5,000	10	0.76%
Total Principal Employers		203,179		22.86%	110,645		16.82%

* Hillsborough County Total Labor Force 2025	888,888
* Hillsborough County Total Labor Force 2016	657,897

Principal Utility Customers

Customer	Classification	2025 Rank	2025 Consumption in Gallons	2025 % of Consumption	2016 Rank	2016 Consumption in Gallons	2016 % of Consumption
Lakeshore Management (Lamplighter)	Mobile Home Park	1	$33,371,293	1.25%	4	$30,964,900	2.00%
The Park at Valenza	Apartments	2	30,198,453	1.13%	N/A	N/A	N/A
The Preserve at Temple Terrace	Apartments	3	25,377,372	0.95%	9	13,601,543	0.88%
Meadowood Condo Inc	Apartments	4	18,670,472	0.79%	6	21,841,159	1.41%
The Park at Valenza (CNL KOR Riverchase)	Apartments	5	18,476,914	0.70%	N/A	N/A	N/A
Infinity Grove at Temple Terrace	Apartments	6	17,419,089	0.69%	10	13,220,221	0.85%
JMJ Doral Oaks LLC	Apartments	7	16,886,816	0.65%	N/A	N/A	N/A
The Falls	Apartments	8	14,645,874	0.63%	7	16,414,000	1.06%
Victoria Terrace Association	Apartments	9	13,998,503	0.55%	8	15,135,000	0.98%
Somerset	Apartments	10	N/A	0.53%	N/A	N/A	N/A
The Park at Valenza (Phase. 1.)	Apartments	N/A	N/A	N/A	1	111,807,560	7.23%
Mid America Apts. LP	Apartments	N/A	N/A	N/A	2	55,536,207	3.59%
Summit West (United Dominion)	Apartments	N/A	N/A	N/A	3	32,937,059	2.13%
Verizon Data Services	Commercial	N/A	N/A	N/A	5	23,072,600	1.49%
Total water & sewer consumption billed			$ 209,957,714			$ 334,530,249	

* Total Water Consumption Billed 2025: 2,663,695,503
* Total Water Consumption Billed 2016: 1,547,286,139

Note: Information was calculated for the top 10 utility customers for each listed year. In places where N/A is listed, the customer was not in the top 10 for that Fiscal Year.

Source: City of Temple Terrace Utility Billing System

TEMPLE TERRACE

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Operating Information

The schedules in this section contain service and infrastructure data to help the reader understand how the information in the municipal governments' financial report relates to the services the municipal government provides and the activities it performs.

This section includes the following tables:

- Full-time Equivalent City Employees by Function
- Capital Asset Statistics by Function
- Operating Indicators by Function
- Water and Sewer Fund Statistical Data
- Water and Sewer Impact Fees
- Water Production Data

Full-time Equivalent City Employees by Function

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Govt–Legislative	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
General Govt–Executive	3.20	3.00	3.00	3.00	3.50	4.00	5.00	5.50	5.50	7.00
General Govt–Legal	0.00	2.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00
General Govt–Human Resources	3.50	4.00	3.00	3.00	3.00	4.00	4.00	4.00	4.75	6.00
General Govt–Information Technology	3.00	3.00	5.89	5.45	5.45	3.00	3.00	3.00	3.00	3.00
General Govt–Finance	5.89	5.89	7.00	7.00	7.00	5.45	5.45	6.45	8.00	7.40
General Govt–Community Development	8.00	7.00	1.30	2.00	2.00	7.00	8.00	10.00	2.50	3.25
Total General Govt.	27.09	28.39	27.69	27.95	28.45	28.95	30.95	34.45	29.25	32.15
Public Safety–Code Compliance	4.12	4.12	4.12	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety–Police Officers	53.00	53.00	54.00	54.00	55.00	55.00	56.00	57.00	57.00	53.00
Public Safety–Civilians-Police	19.63	18.00	18.00	18.00	18.00	18.00	18.00	21.00	21.00	24.00
Public Safety–Firefighters and Officers	50.00	50.00	50.00	50.00	50.00	50.00	53.00	55.00	55.00	52.00
Public Safety–Civilians-Fire	7.08	7.08	7.08	6.50	6.50	6.50	6.50	6.50	6.50	9.00
Total Public Safety	133.83	132.20	133.20	133.50	134.50	134.50	138.50	144.50	144.50	143.00
Public Works–Administration	4.00	4.00	4.00	2.10	1.50	1.50	1.50	2.50	2.00	0.00
Public Works–Streets Maintenance	5.15	5.15	5.15	10.00	5.00	5.00	5.00	5.00	6.00	5.00
Public Works–Facility Maintenance	2.65	2.65	2.65	1.00	1.00	1.00	1.00	1.00	3.00	3.00
Public Works–Grounds Maintenance	0.00	0.00	10.00	10.00	10.00	9.90	9.90	9.90	7.00	8.00
Public Works–Engineering	1.85	1.85	1.85	0.00	3.00	3.00	3.00	3.00	3.00	2.00
Total Public Works	13.65	13.65	23.65	23.10	20.50	20.40	20.40	21.40	21.00	18.00
Culture & Recreation–Library	12.50	12.50	12.50	12.50	13.50	13.05	13.50	14.00	14.00	14.25
Culture & Recreation–Parks & Rec.	53.44	53.44	43.44	43.54	42.44	42.44	41.94	42.00	42.00	42.00
Total Culture & Recreation	65.94	65.94	55.94	56.04	55.94	55.49	55.44	56.00	56.00	56.25
Physical Environment–Finance-Utilities	7.56	7.56	7.56	8.55	8.55	8.55	8.55	9.55	9.00	8.85
Physical Environment–PW-Water	16.70	17.70	17.70	17.30	17.50	18.00	19.00	21.00	21.00	22.00
Physical Environment–PW-Sewer	9.30	8.30	8.30	8.60	8.60	8.60	9.60	11.60	12.50	12.50

(Continued)

Full-time Equivalent City Employees by Function Continued

Function *(Continued)*	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Physical Environment–PW-Renewal & Replace	2.15	2.15	2.15	1.90	1.90	2.00	3.00	3.00	3.00	3.00
Physical Environment–Sanitation	14.70	14.70	13.70	14.00	14.00	14.00	14.00	15.00	16.50	19.50
Building Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	6.75
Total Physical Environment	50.41	50.41	49.41	50.35	50.55	51.15	54.15	60.15	69.50	72.60
Internal Service- City Garage Fleet	4.15	4.15	4.15	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Total	294.67	294.44	295.04	296.94	295.94	295.49	304.44	321.50	324.25	327.00

Source: City Annual Budget
Budget - personnel by department/function (full-time equivalents)

Capital Asset Statistics by Function

Function:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Area–Land (square miles)	7.43	7.45	7.53	7.53	7.72	7.72	7.72	7.53	7.77	7.77
Public Safety–Police Stations	1	1	1	1	1	1	1	1	1	1
Public Safety–Fire Stations	2	2	2	2	2	2	2	2	2	2
Streets & Drainage–Paved streets (miles)	78.52	78.52	78.52	78.52	78.85	78.85	80.62	80.99	82.57	82.57
Streets & Drainage–Unimproved streets (miles)	0.32	0.32	0.32	0.32	0.00	0.00	0.00	0.00	0.00	0.00
Streets & Drainage–Street Lights (number)	2,800	2,800	2,800	2,800	1,956	1,956	1,973	1,973	2,032	2,032
Streets & Drainage–Storm Sewers (miles)	36.70	36.70	36.70	36.70	41.31	41.31	42.40	34.66	34.95	41.14
Culture & Rec–Library Branches	1	1	1	1	1	1	1	1	1	1
Culture & Rec–Library Holdings	94,700	94,700	96,991	96,991	100,898	104,108	102,287	101,131	102,099	105,712
Parks & Rec–Recreation Centers	2	2	2	2	2	2	2	2	2	2
Parks & Rec–Fitness Center	1	1	1	1	1	1	1	1	1	1
Parks & Rec–Parks	28	28	28	28	29	29	29	29	29	29
Parks & Rec–Parks acreage	419.50	419.50	419.50	419.50	419.51	419.51	419.51	419.51	419.51	419.51
Parks & Rec–Playgrounds	10	10	10	10	11	11	11	11	11	11
Parks & Rec–Softball diamonds	3	3	3	3	1	1	1	1	1	0
Parks & Rec–Adaptive Fields	0	0	0	0	1	1	1	1	1	2
Parks & Rec–Tennis courts	14	14	14	14	14	14	14	14	14	12
Parks & Rec–Indoor Basketball courts	6	6	6	6	4	2	2	2	2	2
Parks & Rec–Outdoor Basketball courts	N/A	N/A	N/A	N/A	1.5	3	3	3	3	2.5
Parks & Rec–Soccer fields	8	8	8	8	8	8	8	8	8	8
Parks & Rec–Racquetball courts	6	6	6	6	6	2	2	2	2	2
Parks & Rec–Swimming Pools	5	5	5	5	5	5	5	5	5	5
Parks & Rec–Baseball fields	10	10	10	10	10	10	10	10	10	10
Parks & Rec–Football fields	0	0	0	0	0	0	0	0	0	0

Capital Asset Statistics by Function Continued

Function:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sanitary Sewers–Sewer mains (miles)	102.88	102.88	102.88	102.88	106.68	105.71	105.71	105.71	111.30	134.75
Sanitary Sewers–Equivalent Connections	6,818	6,946	7,053	7,036	7,102	7,194	7,182	7,169	7,366	7,245
Sanitary Sewers–Lift Stations	30	30	30	30	30	30	32	32	32	32
Sanitary Sewers–Force main (feet)	152,950	152,950	152,950	152,950	170,454	170,454	170,454	170,454	158,478	158,478
Sanitary Sewers–Gravity main (feet)	347,450	347,450	414,374	414,374	514,672	514,672	514,672	514,672	429,197	429,197
Water–Mains (miles)	123.75	123.75	123.75	123.75	141.32	139.31	139.31	139.31	141.08	179.07
Water–Equivalent Connections	10,100	10,100	10,248	10,248	10,149	10,590	10,593	10,595	10,805	10,565
Water–Wells	10	10	10	10	10	10	10	10	10	10
Water–Fire Hydrants–Inside City	649	649	669	669	674	898	898	898	931	1,151
Water–Fire Hydrants–Extended Service Area	218	218	224	224	211	188	188	188	195	195

Operating Indicators by Function

Function:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety–Police: Calls for service	27,152	27,339	25,741	31,345	27,987	32,243	41,217	33,281	35,981	52,785
Public Safety–Police: Traffic citations	1,874	2,065	1,129	2,673	1,308	1,506	997	1,395	3,963	4,460
Public Safety–Police: Traffic accidents	449	496	421	476	777	369	443	512	604	575
Public Safety–Police: Boating citations	7	10	10	2	3	0	0	0	0	0
Public Safety–Police: Part I cases reported	826	771	636	664	585	567	645	577	544	498
Public Safety–Police: Part II cases reported	820	838	585	689	719	605	750	635	632	755
Public Safety–Police: 9-1-1 calls	16,643	17,225	11,403	11,531	11,412	13,094	14,118	15,109	14,802	15,662
Public Safety–Fire: Total incidents	3,634	3,411	3,992	3,818	3,730	4,406	4,481	4,497	4,988	4,921
Public Safety–Fire: Medical incidents	2,262	2,236	2,864	2,158	2,737	4,342	3,291	3,347	3,517	3,679
Public Safety–Fire: Medical transports	1,985	1,950	2,000	2,147	2,192	3,360	2,469	2,816	2,820	2,885
Community Development–Value of permits issued (mill)	$40.27	$47.29	$29.96	$50.00	*$250.00	$51.42	$49.87	$67.33	$37.73	$50.81
Streets/Drainage–Linear feet sidewalk repaired/replaced	6,667	6,667	732	732	780	780	1,031	2,487.5	2,773	1,838
Streets & Drainage–Linear feet of curbing replaced	200	200	60	60	50	50	30	230	70	340
Streets & Drainage–Curb miles swept	650	650	999	999	999	999	1,600	1,981.8	1,985	2,023
Culture & Rec–Library service hours	2,591	2,591	2,561	2,602	1,810	2,099	2,756	2,740	2,778	2,674
Culture & Rec–Library Internet users	54,765	54,765	51,572	51,356	21,058	11,396	22,955	27,413	30,818	29,942
Culture & Rec–Library Circulation per year	394,910	394,910	320,773	347,313	210,266	273,748	280,622	266,497	334,018	333,041
Culture & Rec–Library card holders	47,080	47,080	46,729	49,556	51,269	52,813	55,078	57,714	60,804	63,578
Parks & Rec–Summer youth participants	257	275	275	225	64	160	181	184	180	194
Parks & Rec–After school participants	152	130	150	471	295	120	292	321	391	365
Parks & Rec–Open swim visitors	28,626	28,000	28,000	6,402	13,823	13,881	14,872	15,689	15,724	16,446

(Continued)

Operating Indicators by Function Continued

Function *(Continued)*	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Parks & Rec–Special interest class participants	11,756	11,720	12,500	5,872	4,153	13,881	15,566	16,021	17,620	16,814
Parks & Rec–Fitness Participants	0	0	0	42,094	30,817	39,184	45,612	49,351	61,881	66,612
Sanitary Sewers–Number of customers	6,450	6,500	6,600	9,849	9,964	7,193	7,776	7,168	7,366	7,543
Sanitary Sewers–Gallon's wastewater pumped (mill)	754	754	794	783	805	784	853	880	913	847
Water–Number of meters in system	10,078	10,100	10,100	10,217	10,149	10,409	10,454	10,595	10,805	10,587
Water–Number of meters in system Gallons raw water pumped (millions)	1,302	1,422	1,452	1,122	1,167	1,684	1,541	1,605	1,590	1,494
Sanitation–Tons of commercial waste collected	6,845	6,386	7,000	7,787	7,380	8,629	9,500	6,734	12,752	11,744
Sanitation–Tons of residential waste collected	6,595	6,061	6,080	5,422	5,766	6,398	6,544	7,065	7,994	6,481
Sanitation–Tons of special trash pickup collected	750	738	1,900	2,130	3,291	3,812	3,671	3,456	3,645	998
Fleet Maintenance–Number of vehicles/equipment	205	205	211	211	228	239	237	240	231	264
Fleet Maintenance–Repair orders completed	2,400	2,400	1,600	1,600	1,999	851	1,336	1,825	1,955	2,325
Fleet Maintenance–Preventive maintenance orders	410	410	103	103	140	165	190	210	243	232

*The value of the permits jumped from the previous year due to big projects from Amazon, Publix, etc. We expect FY 2025 numbers to stay in line with the trend from all other years.

Water and Sewer Fund Statistical Data

Fiscal Year	Equivalent Water Connections	Equivalent Sewer Connections	Total Operating Revenue	Operating Expenses	Non-operating Revenue	Non-Operating Expenses	Net Income Before Transfers & Special Items
2025	10,565	7,245	$18,317,115	$16,230,571	$683,565	$391,177	$2,378,932
2024	10,805	7,366	17,053,244	15,861,133	1,163,047	1,587	3,485,191
2023	10,595	7,168	14,935,588	14,325,651	4,624,556	66	5,234,492
2022	10,454	7,776	14,029,837	13,662,821	67,936	1,532	434,952
2021	12,145	11,657	13,575,256	12,150,456	6,791	1,319	1,430,272
2020	10,149	9,964	13,183,625	11,652,723	76,442	1,275	1,606,069
2019	10,034	9,866	12,697,226	11,776,246	165,716	1,223	1,085,474
2018	10,128	9,726	12,295,439	10,516,359	100,315	2,293	1,877,102
2017	10,096	9,664	12,022,271	10,060,956	44,627	14,890	1,991,052
2016	10,065	7,100	11,452,554	10,122,651	23,958	26,391	1,327,470

Water and Sewer Improvement Fees

Fiscal Year	Water Impact Fees	Sewer Impact Fees	Total Impact Fees
2025	$137,500	$40,000	$177,500
2024	187,000	52,800	239,800
2023	1,781,558	485,031	2,266,589
2022	838,750	312,400	1,151,150
2021	136,350	39,369	175,719
2020	930,800	681,046	1,611,846
2019	260,089	60,000	320,089
2018	122,790	2,400	125,190
2017	39,175	8,800	47,975
2016	225,728	45,200	270,928

Water Production Data

Fiscal Year	Yearly Total	Monthly Peak	Monthly Average	Daily Peak	Daily Average	Rainfall (Inches)
2025	1,457.1	148.6	121.4	4.9	4.0	45.45
2024	1,452.1	153.7	117.1	5.2	3.9	54.48
2023	1,471.3	134.0	122.0	5.3	4.0	41.19
2022	1,407.6	129.7	113.9	5.3	3.8	75.99
2021	1,401.8	144.3	113.3	5.6	3.8	70.69
2020	1,385.7	129.0	115.5	5.2	3.8	75.99
2019	1,335.1	128.6	111.3	5.8	3.7	57.90
2018	1,296.7	117.1	108.1	5.0	3.6	89.37
2017	1,091.3	101.2	90.9	4.8	3.0	45.39
2016	1,034.5	100.5	86.2	4.8	2.9	70.73

Note–Data is presented in millions of gallons.

COMPLIANCE SECTION

- Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor’s Report on Compliance for each Major Federal Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Accordance with the Uniform Guidance
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditure of Federal Awards or the Fiscal Year Ended September 30, 2025
- Schedule of Findings and Questioned Costs
- Independent Auditor’s Management Letter
- Independent Accountant’s Report

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

Independent Auditor's Report

The Honorable Mayor and City Council
City of Temple Terrace, Florida
Temple Terrace, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Temple Terrace, 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 26, 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Forvis Mazars, LLP

Tampa, Florida
June 26, 2026

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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor and City Council
City of Temple Terrace, Florida
Temple Terrace, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited City of Temple Terrace, 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 the District s major federal program for the year ended September 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the 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 GAAS, *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 the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

Forvis Mazars, LLP

Tampa, Florida
June 26, 2026

Section I – Summary of Auditor's Results

Financial Statements

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

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

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

Federal Awards

4. Internal control over major federal program:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

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

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

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

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000.

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

Section II – Financial Statement Findings

No matters are reported.

Section III – Federal Award Findings and Questioned Costs

No matters are reported.

Section IV – Prior Year Audit Findings

No matters are reported.

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Passed-Through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N035	$ -	$ 5,728
Total U.S. Department of Justice			-	5,728
U.S. Department of Homeland Security				
Passed-Through State of Florida Division of Emergency Management				
Disaster Grants – Public Assistance (Presidentially Declared Disasters) COVID 19	97.036	DRFLP -4486		28,076
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Hurricane Helene 2024	97.036	DRFLP -4828	-	114,158
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Hurricane Ian	97.036	DRFLP-4673	-	182,052
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Hurricane Idalia	97.036	DRFLP-4734	-	353,320
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Hurricane Irma	97.036	DRFLP-4337	-	3,764
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Hurricane Debbie	97.036	DRFLP-4806	-	100,014
Total U.S. Department of Homeland Security			-	781,384
U.S. Department of Treasury				
Passed-Through the Division of Emergency Management				
Covid 19 - Coronavirus State and Local Fiscal Recovery Funds -American Rescue Plan Act (ARPA)	21.027	N/A	-	2,940,657
Total U.S. Department of Treasury			-	2,940,657
Total Expenditures of Federal Awards			$ -	$ 3,727,769

The notes to the Basic Financial Statements are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS FOR SEPTEMBER 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Temple Terrace (City) under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City

2. Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost rate

The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

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Independent Accountant's Report

The Honorable Mayor and City Council
City of Temple Terrace, Florida
Temple Terrace, Florida

We have examined the compliance of the City of Temple Terrace, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, for the year ended September 30, 2025. The City's management is responsible for compliance with these requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide legal determination on the City's compliance with specified requirements.

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

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

Forvis Mazars, LLP

Tampa, Florida
June 26, 2026

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Independent Auditor's Management Letter

The Honorable Mayor and City Council
City of Temple Terrace, Florida
Temple Terrace, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Temple Terrace, Florida (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated June 26, 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 the 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 26, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

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 that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statues, and Section 10.554(1)(i)6, *Rules of the Auditor General,* see separately issued financial statements for the City of Temple Terrace Community Redevelopment Agency.

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 have any such findings.

Purpose of this Letter

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

Forvis Mazars, LLP

Tampa, Florida
June 26, 2026

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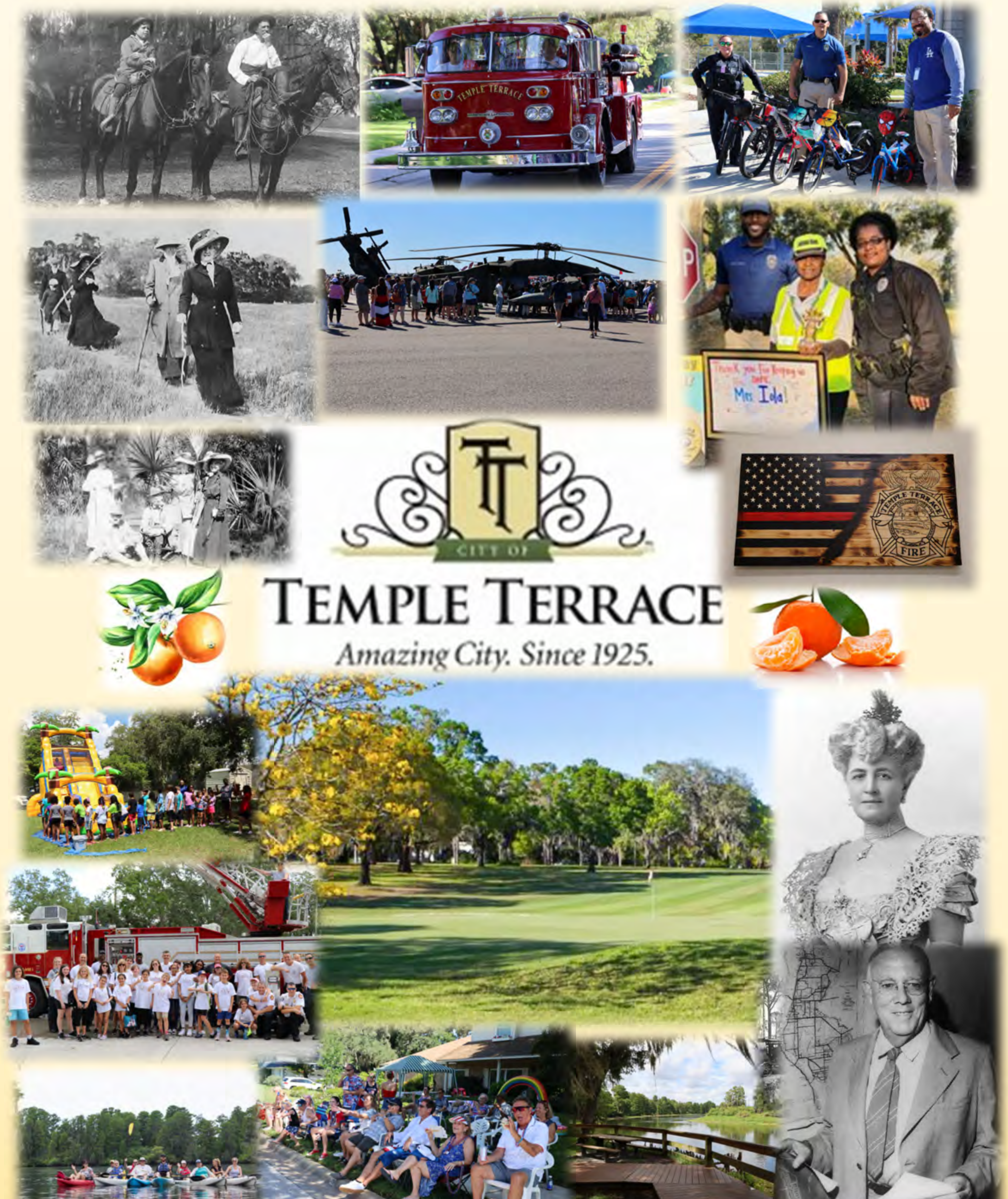
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