City of Tallahassee
Annual Report to Bondholders

For the Fiscal Year Ended
September 30, 2025

CITY OF
TALLAHASSEE

City of Tallahassee
Elected Officials

John E. Dailey
Mayor

Jacqueline "Jack" Porter
Commissioner

Curtis Richardson
Commissioner

Jeremy Matlow
Commissioner

Dianne Williams-Cox
Commissioner

Administration

Reese Goad
City Manager

Amy Toman
City Attorney

Jim Cooke
City Treasurer-Clerk

Dennis Sutton
Inspector General

Table of Contents

THE PURPOSE OF THE ANNUAL REPORT TO BONDHOLDERS

The Fiscal Year (FY) 2025 Annual Report to Bondholders has been prepared by the City of Tallahassee to provide information concerning the City, its financial operations and its indebtedness. This information is made available to current security holders and potential purchasers of securities in the secondary market, dealers, security analysts, rating agencies, Nationally Recognized Municipal Securities Information Repositories (NRMSIRs), and other interested parties. The City of Tallahassee has selected DAC as the City's disclosure/dissemination agent. The FY 2025 Annual Report to Bondholders is available on the City's website at www.talgov.com and can also be found on the DAC website at www.dacbond.com and on www.tallahasseebonds.com. The DAC website also hosts related City documents, including official statements for outstanding debt.

In addition to this Report, each fiscal year the City of Tallahassee prepares an Annual Comprehensive Financial Report (ACFR), which includes audited financial statements in accordance with generally accepted accounting principles. The ACFR is hosted on the City's website as well as on the DAC site. The current external auditor for the City is Forvis Mazars, LLP, Tallahassee, Florida.

In compliance with SEC rule 15c2-12, the City provides secondary market information in connection with the following bond issues:

- $88,365,000 Capital Refunding Bonds, Series 2025, dated August 21, 2025
- $96,825,000 Consolidated Utility Systems Revenue Refunding Bonds, Series 2025, dated August 13, 2025;
- $108,545,000 Energy System Refunding Revenue Bonds, Series 2025, dated July 21, 2025;
- $199,190,000 Energy System Refunding Revenue Bonds, Series 2024, dated July 30, 2024;
- $180,995,000 Consolidated Utility Systems Refunding Revenue Bonds, Series 2024A, dated July 10, 2024;
- $65,110,000 Capital Bonds, Series 2024, dated April 18, 2024;
- $44,660,000 Consolidated Utility Systems Refunding Revenue Bonds, Series 2024, dated January 10, 2024;
- $6,035,000 Capital Bonds, Series 2021, dated December 8, 2021;
- $14,875,000 Consolidated Utility Systems Refunding Bonds, Series 2020, dated August 6, 2020;
- $80,195,000 Energy System Refunding Revenue Bonds, Series 2020, dated August 6, 2020;
- $26,975,000 Capital Bond, Series 2009, dated April 24, 2009;

In addition to the bonds listed above, the City has entered into the following private placements:

- $27,000,000 Fire Improvement Revenue Note, Series 2024, dated June 26, 2024;
- $25,000,000 Public Improvement Revenue Note, Series 2024, dated April 19, 2024;
- $59,790,000 Energy System Refunding Revenue Bond, Series 2023, dated October 1, 2023;
- $34,720,000 Consolidated Utility Systems Refunding Revenue Bond, Series 2023, dated October 1, 2023;
- $37,455,000 Capital Refunding Bonds, Series 2022, dated November 1, 2022;
- $7,994,660 Transportation Improvement Bond, Series 2019, dated May 10, 2019;

The release of this report in conjunction with the City's ACFR satisfies, in the City's opinion, the requirements for annual disclosure as set forth in the undertakings. The City is committed to fulfilling its disclosure obligations, as now or as may hereafter be defined by the SEC. While the City is committed to the release of secondary market information necessary to evaluate the City's credit, the City is making no on-going commitment to the publication and release of future Reports to Bondholders, and in the future its disclosure obligations may be met through supplements or enhancements to its Annual Comprehensive Financial Report or through the release of other documents.

The City has not undertaken an independent review or investigation to determine the accuracy of information that has been obtained from other sources. Certain information presented herein has been obtained from sources that are believed by the City to be reliable, but neither the City nor the elected or appointed officials make any representations or warranties with respect to the accuracy or completeness of that information.

Additionally, to the extent that certain portions of the Annual Report constitute summaries of documents, reports, resolutions, or other agreements relating to the operations or outstanding debt of the City, this Report is qualified by reference to each such document, report, resolution, or agreement, copies of which may be obtained from the Office of the City Treasurer-Clerk. The Report contains certain capitalized undefined terms. Such terms are defined in the resolutions of the City authorizing the issuance of the respective bonds of the City.

The City encourages readers of the report to provide suggestions that will improve the readability or usefulness of the report. Questions concerning the information contained herein or suggestions should be directed to:

Office of the City Treasurer-Clerk
City of Tallahassee
300 South Adams Street, Box A-32
Tallahassee, Florida 32301-1731
(850) 891-8130; FAX (850) 891-8389
treasury@talgov.com

INTRODUCTION

The City's Fiscal Year 2025 Annual Report to Bondholders is designed to provide a reader, with no prior background, general information regarding the City and its debt as of September 30, 2025.

Borrowing in Fiscal Year 2025

The City issued a number of bonds across multiple credits during fiscal year 2025. Below is a summary of the activity.

- $88,365,000 Capital Bonds, August 2025, pledging revenue from the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Local Communications Services Tax, and the Public Service Tax. The bonds were issues to finance the new police headquarters, various road improvements, and improvements to City-owned facilities, and to refund the Capital Bonds, Series 2018, and the Taxable Public Improvement Revenue Note, Series 2020.
- $96,825,000 Consolidated Utility Systems Refunding Revenue Bonds, August 2025, pledging revenue from the net revenues of the City's Utility System and the Gross Revenues of the City's Stormwater Drainage System. The bonds were issued to refund the Consolidated Utility Systems Revenue Bonds, Series 2018.
- $108,545,000 Energy System Refunding Revenue Bonds, July 2025, pledging revenue from the net revenues of the City's Energy System. The bonds were issued to refund the Energy System Revenue Bonds, Series 2017.

In addition to bond issuance, the City created and adopted a master lease program for smaller capital needs.

- $17,000,000 Master Lease Equipment Lease/Purchase Program, April, 2025, to fund the acquisition, purchase and financing of certain property and equipment and funded through department budgets. The annual not-to-exceed amount will be authorized annually by the City Commission.

Ratings

In 2015, the City decided to have each of its bond programs rated by only two credit ratings agencies rather than three. Tallahassee's bond ratings are summarized as follows:

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

Significant Revenue Factors

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

Revenues for the business-type activities and certain governmental activities (permitting, recreational programs, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns and the growth of new homes and businesses in the market. In recent years, there has been a decreasing consumption trend per capita in all the utilities due mainly to the City's demand side management programs. The resulting slower growth in demand has allowed the City to defer adding generating capacity for its electric utility. Revenue factors of each utility system will be covered in their respective sections.

State Government and Revenue Environment

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

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

Higher Education as an Economic Driver

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

Ad Valorem Millage Rate

The City's FY 2025 millage rate of 4.42 mills is lower than all the comparable cities listed below. This reflects on the City's efficiency in providing robust services at a lower cost to the taxpayer. It is also an incentive to business seeking to relocate, providing an incentive to economic development.

Millage Rate						
City	**Population**	**2025**	**2024**	**2023**	**2022**	**2021**
Miami	487,014	7.11	7.46	7.55	7.55	7.67
Orlando	316,081	6.65	6.65	6.62	6.65	6.65
St. Petersburg	267,102	6.47	6.47	6.53	6.66	6.66
Tampa	414,547	6.21	6.21	6.21	6.21	6.21
Gainesville	145,214	6.43	6.43	5.50	5.50	5.50
Lakeland	120,071	5.43	5.43	5.43	5.43	5.43
Port St. Lucie	258,575	4.98	4.73	4.73	4.88	5.05
Fort Lauderdale	183,146	4.37	4.12	4.12	4.12	4.12
Tallahassee	**201,731**	**4.42**	**4.45**	**4.45**	**4.10**	**4.10**

Property Tax Revenues

Property taxes provided 34% of General Fund revenues (including transfers) in FY 2025. Taxable values have increased moderately over the last five years as shown in the table below.

Property Tax Revenues

FY	Millage Rate	Total Market Valuation	Taxable Assessed Valuation	Levy	Collection	%
2016	4.2000	17,451,681	9,594,506	40,352	38,887	96%
2017	4.1000	17,972,266	9,965,230	40,857	39,699	97%
2018	4.1000	18,540,283	10,466,855	42,975	41,482	97%
2019	4.1000	19,628,202	11,144,101	45,858	44,032	96%
2020	4.1000	20,668,777	11,923,851	49,015	47,061	96%
2021	4.1000	21,763,513	12,669,469	52,519	50,169	96%
2022	4.1000	22,684,809	13,229,378	54,240	51,414	95%
2023	4.1000	24,992,532	14,394,967	59,032	57,912	98%
2024	4.4500	27,740,256	15,634,777	69,574	67,247	97%
2025	4.4200	27,371,367	17,081,525	75,500	72,580	96%

*Florida Statutes provide for a discount of up to 4% for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1 and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

General Fund Transfers

City Commission Policy #224 (Financing the Government Policy), adopted February 13, 2013, provides the methodology for calculating transfers from the utility funds (Electric, Gas, Water, Sewer and Solid Waste). The methodology for calculating General Fund transfers beginning in FY2017 from the Gas, Water, Sewer, and Solid Waste Funds was updated by the City Commission on December 6, 2017. Base transfer amounts were established for each fund ($2.8 million, $3.4 million, $4.6 million, and $1.8 million, respectively), increasing annually according to CPI. All utility funds operate on a full recovery of costs basis. The table below shows utility transfers to the General Fund over the last five years.

General Fund Transfers

FY	Electric	Gas	Water/Sewer	Solid Waste
2021	31,547,686	3,068,574	8,755,728	1,991,195
2022	32,367,686	3,148,357	8,983,377	2,042,966
2023	35,119,200	3,415,967	9,746,964	2,216,618
2024	36,875,160	3,586,765	10,234,312	2,327,449
2025	38,165,791	3,712,302	10,592,513	2,408,910

Rate Increases

City ordinance provides for automatic rate adjustments for each of the utilities effective October 1 of each year equal to the 12-month increase in the Consumer Price Index. Utility CPI rate adjustments are detailed in the respective sections of the report.

Pension

At the ending of the fiscal year dated September 30, 2025, the City of Tallahassee Pension Plan had a funded ratio of 89.6%. Additional information on the City's Pension Plan can be found in the City's Annual Comprehensive Financial Report.

Business Recruitment and Economic Expansion

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

- In November 2025, Buc-ee's closed on the purchase of thirty acres near the intersection of Capital Circle Northwest and Interstate 10. The facility will be a 75,000 – square-foot travel center, featuring 120 fuel pumps, 24 electric vehicle charging stations, and almost 800 parking spaces. While the site is located outside of the current city limits, it is expected the new project will utilize city utilities. It is anticipated approximately 200 jobs will be brought to the local economy.
- In 2024, Danfoss Turbocor completed a 145,000-square-foot production facility in Innovation Park, doubling its manufacturing capacity and positioning the company to nearly double its workforce of 260 employees.
- In 2023, Amazon opened a 635,000-square-foot robotics fulfillment center supporting approximately 1,400 full-time jobs.

These developments reflect a broader economic growth trajectory. Over the past 10-years, there has been a steady positive trend in job growth across the Tallahassee MSA. The anticipated 2026 opening of the International Processing Facility at Tallahassee International Airport (TLH) and the establishment of a Foreign Trade Zone are expected to create more than 1,600 jobs and generate over $300 million in annual economic impact. TLH's overall economic impact grew by 43 percent between 2019 and 2023, contributing to the region's rising gross domestic product, which increased from $17.6 billion in 2019 to $20.1 billion by year-end 2023.

FY 2026 Capital Budget

The City's FY 2026 Capital Budget is appropriated at $268 million, with $104.3 million budgeted in the General Government Funds and $163.8 million in Enterprise and other funds. The City's Five-Year Capital Improvement Plan (2026 – 2030) totals $1.2 billion, with appropriations made on an annual basis.

Significant projects planned in the Five-Year Capital Improvement Plan in various enterprise funds include Phase 2 of Taxiway Bravo Rehabilitation – Construction (B6-B1) at the Tallahassee International Airport ($16.6 million); distribution, transmission, and substation improvements for the electrical system ($162.2 million); rehabilitation or replacement of the sewer collection and treatment infrastructure to extend its expected life and reduce stormwater infiltration and inflow ($220.1 million); water system distribution improvements ($22.3 million); and various stormwater improvements ($56.2 million).

Several projects in the City's Five-Year Capital Improvement Plan will require the issuance of new debt. A new Public Safety Campus is located on the Northwoods property site, and additional street improvements, such as FAMU Way, are underway. Other public infrastructure upgrades, including the Kleman Plaza parking garage, are included in the five-year plan. These projects are at different stages of development. Design, cost analysis, and construction have been, or may need to be, reviewed and approved by the City Commission before moving forward.

General government projects in the five-year plan include the rehabilitation of the Kleman Plaza Garage ($46 million) and the construction of the new Senior Center ($3 million). Other projects include repairing the City Hall roof ($4 million) and streets and sidewalk improvements ($64 million).

Development Activity and Capital Investment

The City continues to experience robust development activity. In FY 2025, over $2.5 billion in new real estate investments were permitted, constructed, or completed. Over 1,100 new residential units were permitted, including a 158-unit rent-restricted affordable housing development opening in 2026 and a 250-unit affordable community completed in 2025 on Tallahassee's southside. Major mixed-use and residential projects continue to reshape the urban landscape:

- The Canopy Project, a 505-acre mixed-use development, is delivering new housing options and infrastructure, including a new interstate overpass, scheduled to be completed mid-2027, to support future growth.
- SoMo Walls, a 33,000-square-foot multi-purpose venue south of downtown, has added new dining, retail, and office space and is expected to support approximately 130 new jobs.
- Various investors and businesses have contributed to more than $1.4 billion invested and nearly 5,000 new residential units in the expansion and transformation of the College Town area over the past 10 years, with over 1,000 new residential units currently underway.

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

Healthcare Sector Strength and Growth

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

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

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

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

Electronic Dissemination of Information

As part of its continuing effort to efficiently provide continuing disclosure information to investors and other users, the City of Tallahassee makes use of electronic methods for dissemination of information. Information is available at several locations, including the City's website, http://www.talgov.com, an investor relations website, http://www.tallahassee.bonds, and the website of DAC, http://www.dacbond.com.

The City's website also has other useful information available, including the City's approved budgets and Annual Financial Reports for each of the last ten years as well as the Annual Report to Bondholders for the last ten years.

DAC

The DAC website hosts a variety of debt information. DAC acts as a disclosure dissemination agent for issuers of municipal bonds by electronically posting information on behalf of issuers. Investors and others may access disclosure on any municipal bond in the DAC System free of charge by registering for a password. In addition to the City's FY 2025 Annual Report to Bondholders, annual reports from the past several years are available on the DAC site. Official statements for each of the outstanding issues summarized in this annual report are also posted, as are several ACFRs from recent years.

If you are new to the DAC System, please click *Register* in the "DAC for Investors" section on the home page, complete the registration form and submit. You can set Event Filters for your account by logging into the DAC System and clicking the Profile icon to receive email notification whenever something new is filed by the City. You may search by CUSIP number, obligor, issuer, issue description, bond type, city and state, county, and state, or by state only.

Bondlink

The City has engaged Bondlink to provide an additional website for the City's investor relations, http://www.tallahasseebonds.com. The new website is designed to increase transparency and drive more traffic to the website and expand our investor base with both institutions and retail buyers, ultimately lowering the City's financing costs.

Contact

You may contact the Office of the City Treasurer-Clerk at the address and phone number below:

Office of the City Treasurer-Clerk
City of Tallahassee
300 South Adams Street, Box A-32
Tallahassee, Florida 32301-1731
(850) 891-8130; FAX (850) 891-8389
treasury@talgov.com

THE CITY OF TALLAHASSEE

General

The City of Tallahassee (hereinafter referred to as "Tallahassee" or the "City") was incorporated in 1825 following a decision by the Legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola. The capital city of Florida, Tallahassee is located in the north central portion (the panhandle or the big bend area) of Florida, midway between Jacksonville and Pensacola. The Georgia state line is less than 20 miles to the north, and the Gulf of America is 25 miles to the south at St. Marks, Florida on Apalachee Bay. The City covers an area of 105.28 square miles.

Since 1919, when the State Legislature passed the Charter Act, the City has been governed by a modified Commission-Manager form of government with five Commissioners, each selected at-large for four year, overlapping terms. Until 1996, when the Charter was amended to provide for direct election of a Mayor with four Commissioners, the position of Mayor rotated annually among the Commissioners. The City Manager, the City Treasurer-Clerk, the City Inspector General, and the City Attorney are appointed by the City Commission. Collectively, the appointed officials are responsible for all administrative functions of the government, with most of the administrative and operations functions falling under the purview of the City Manager. The remaining administrative functions are the responsibility of the other appointed officials as indicated by their titles.

Tallahassee, the county seat, is the only incorporated municipality in Leon County, Florida (the "County"), and is located approximately in the center of the County. Tallahassee is the largest city in the Tallahassee Metropolitan Statistical Area ("MSA"), which consists of Leon, Gadsden, Jefferson, and Wakulla counties.

The City is a full-service city providing citizens with a full complement of municipal services, including public safety (fire and police), construction and maintenance of streets and sidewalks, stormwater management, recreation, planning and zoning, and general administrative services. The City owns and operates five utilities, including an electric generation, transmission and distribution system; a natural gas distribution system; a water production and distribution system; a sewage collection and treatment system; and a stormwater drainage utility system. Additional enterprise activities owned and operated by the City include the Tallahassee International Airport and a public transit system.

The Tallahassee economy has grown moderately over the past several years, with increasing elements of diversification. The major economic factor historically has been the State government. The City serves as an educational center, with three institutions of higher learning, and as the financial, trade and health center for a surrounding 13-county geographic region with a population of over 404,606.

Climate/Geography

Tallahassee has the mild, moist climate characteristic of the states located on the Gulf of America and experiences a subtropical summer similar to the rest of Florida. In contrast to the Florida peninsula itself, the panhandle (which includes Tallahassee) experiences four seasons.

Tallahassee's rolling landscape, typical of regions further north, is unique among the major cities of Florida. Some areas of Leon County exceed elevations of 200 feet. However, south of the City, the hills yield to the terrain that is typical in the rest of Florida. The northern portion of the county consists of a thick layer of sand, silt and clay overlying limestone forms while most of the southern area is characterized by flat, sandy lowlands.

The Tallahassee-Leon County area possesses excellent wildlife reserves located in the terrain north of

Tallahassee and in the Apalachicola National Forest south of Tallahassee. Numerous lakes are available for freshwater fishing, including: Lake Iamonia, Lake Jackson, Lake Miccosukee, and Lake Talquin.

Population

The 2024 American Community Survey (the "Survey") results show a racially diverse community, with minorities accounting for 45% of the Leon County population. The population of the City of Tallahassee is young, with a median age of 31.2 years. Tallahassee residents have historically attained a comparatively high level of education. According to the Survey, 51.3% of City residents aged 25 or older have completed at least four years of college, compared to 34.1% for the State of Florida. These population characteristics largely reflect the influence of the two major universities, a large community college, State government, and the resulting high level of professional employment. The City and Leon County have generally experienced, and are expected to continue to experience, a steady increase in population as depicted in the following table:

Population								
	Tallahassee		Leon County		Florida		United States	
Year	Population	Annual Change	Population	Annual Change	Population	Annual Change	Population[1]	Annual Change
1960	48,174[1]	5.9%	74,225[1]	3.7%	4,951,560	6.0%	179,323,175	1.7%
1970	72,624[1]	4.2%	103,047[1]	3.3%	6,789,443	3.2%	203,392,031	1.3%
1980	81,548[1]	1.2%	148,655[1]	3.7%	9,746,324	3.7%	226,545,805	1.1%
1990	124,773[1]	5.3%	192,493[1]	2.6%	12,937,926	3.3%	248,709,873	1.0%
2000	150,624[1]	1.9%	239,452[1]	2.2%	15,982,378	2.1%	281,421,906	1.2%
2010	181,736[1]	0.6%	275,487[1]	1.4%	18,801,310	1.8%	308,745,538	0.9%
2020	196,169[1]	0.8%	292,198[1]	0.6%	21,538,187	1.4%	331,449,281	0.7%
2025	205,623[2]	1.0%	305,866[2]	0.9%	23,379,261	1.7%	338,016,259	0.4%
2030	217,800[3]	1.2%	317,200[2]	0.8%	24,836,000	1.2%	345,073,565	0.4%
2040	231,100[3]	0.6%	332,700[2]	0.5%	26,870,200	0.8%	355,309,062	0.3%
2050	240,300[3]	0.4%	343,300[2]	0.3%	28,174,900	0.5%	360,638,734	0.2%

Sources: (1) U.S. Census Bureau
(2) University of Florida, Bureau Of Economic & Business Research
(3) Tallahassee-Leon County Office of Economic Vitality

Employment

Tallahassee's employment is non-agrarian in nature and oriented toward governmental and private sector employment. In 2025, government employment accounted for an estimated 22.8% of total employment. Employment growth has come mostly from the private sector and the proportion of state government jobs to total employment for the Tallahassee metro area has been steadily declining over the past 35 years highlighting the increased diversification of employment in the region.

The portion of government employment has helped to keep unemployment relatively low. In addition, due to the share of government and other professional and white-collar employment, Tallahassee and Leon County enjoy relatively high-income levels, especially when compared to surrounding counties. In the Capital Region (Gadsden, Jefferson, Leon, and Wakulla counties), Education and Health Services, Professional and Business Services, and Leisure and Hospitality are projected to create the most jobs while Construction is expected to experience the largest annual percentage growth in employment by major industry between 2025 and 2033.

In an effort to diversify the area's economy, the local government and the Chamber of Commerce work closely together to attract additional employers to the area and to assist the expansion of existing local industries. From 1992 to 2015, the Economic Development Council of Tallahassee-Leon County marketed

Tallahassee's economic advantages focusing on companies in financial services, education, technology, light manufacturing, distribution and healthcare. In 2016, the Tallahassee-Leon County Blueprint Intergovernmental Agency, whose governing board consists of all of the elected officials of both the Tallahassee City Commission and the Leon County Commission. The City of Tallahassee, became the lead agency for economic development for the area, replacing the Economic Development Council. The Office of Economic Vitality under Planning, Land Management and Community Enhancement (PLACE), the department that administers the workings of the Intergovernmental Agency, coordinates a variety of public and private organizations to attract and grow new businesses within Tallahassee and the surrounding region.

Annual Average Unemployment Rate

Year	Leon County	Florida	United States
2016	4.5%	4.9%	4.9%
2017	3.9%	4.3%	4.4%
2018	3.4%	3.6%	3.9%
2019	3.1%	3.2%	3.7%
2020	6.1%	8.0%	8.1%
2021	4.3%	4.7%	5.4%
2022	3.1%	3.0%	3.7%
2023	3.1%	3.0%	3.6%
2024	3.5%	3.4%	4.0%
2025	4.2%	4.0%	4.3%

Sources: Florida Commerce, Labor Market Statistics, Data Center, Local Area Unemployment Statistics; U.S. Department of Labor, Bureau of Labor Statistics. Due to the federal government shutdown, the official numbers for 2025 were unavailable

The table below depicts the employment distribution within the Tallahassee MSA.

Employment Distribution

	2025	Percent
State Government	46,300	22.8%
Professional and Business Services	28,200	13.9%
Education and Health Services	27,700	13.6%
Trade, Transportation, and Utilities	27,500	13.5%
Leisure and Hospitality	21,000	10.4%
Local Government	14,700	7.2%
Mining, Logging and Construction	10,600	5.2%
Financial Activities	9,600	4.7%
Other Services	6,700	3.3%
Manufacturing	4,300	2.1%
Information	4,100	2.0%
Federal Government	2,200	1.1%
TOTAL	**203,200**	**100%**

Source: Florida Commerce, Labor Market Statistics, Data Center, Current Employment Statistics
Note: Percentage may not sum to total due to rounding

Principal Property Taxpayers

The following table shows the top ten principal taxpayers in the City of Tallahassee for the Fiscal Year ending September 30, 2025.

Principal Property Taxpayers (000's of dollars)		
Taxpayer	**Total Taxable Value**	**Percentage of Total City Taxable Value**
Smith Interest General Partnership	$ 177,328	0.96%
Tallahassee Medical Center, Inc.	92,672	0.49%
510 West Virginia Street	86,451	0.47%
District Joint Venture, LLC	78,914	0.43%
CSDC 440 N Monroe Street, LLC	78,896	0.43%
LMP Tallahassee Property Owner, LLC	76,807	0.42%
Chapel Drive East, LLC	69,225	0.38%
Lakeside Grand, LLC	66,300	0.36%
Campbell Tallahassee, LLC	65,378	0.35%
Quantum LL, LLC	64,578	0.35%
Total	**$ 856,549**	**4.15%**

Education

The largest and oldest university in the City is Florida State University ("FSU"), which was founded in 1851 and is the home of the Florida State University Seminoles. FSU is known for its outstanding programs in business, education, fine arts, law, and natural sciences. A medical school was created in June 2000. Tallahassee is also home to the Florida Agricultural and Mechanical University ("FAMU"), which was founded in 1887 and is the home of the Florida A & M Rattlers. Programs offered at FAMU have received recognition in the fields of architecture, agriculture, and pharmacy. Tallahassee State College ("TSC") offers over 70 credit degree programs, will continue to partner with regional universities offering on-campus learning opportunities, and offers workforce-focused baccalaureate degree programs. Enrollment at the universities and the state college is shown in the following table:

Student Enrollment				
Year	**FSU**	**FAMU**	**TSC**	**Total**
2016	41,867	9,614	12,500	63,981
2017	41,900	9,909	12,400	64,209
2018	41,717	10,021	12,174	63,912
2019	42,876	9,626	12,134	64,636
2020	43,953	9,184	11,250	64,387
2021	45,493	8,994	12,016	66,503
2022	44,597	9,228	12,000	66,825
2023	49,701	9,215	12,500	65,416
2024	43,234	9,265	12,500	64,999
2025	46,184	10,028	12,455	68,667

Source: All figures are for Fall semesters. Information provided by the Registrar for each respective institution.

Medical Facilities

Tallahassee also provides Northwest Florida and South Georgia with extensive medical facilities. There are currently two full service acute care facilities, Tallahassee Memorial Healthcare, Inc. ("TMH") and HCA Florida Capital Hospital ("Capital Hospital"). TMH is a 772-bed hospital founded in 1948; Capital Hospital is a 288-bed facility that began serving patients in 1979. In addition to TMH and CRMC, medical care is provided to the region through outside public and private facilities, including a number of skilled nursing, convalescent and extended care facilities, and a 192,000 square foot Veterans Administration outpatient health care center.

Annexation - Process and History

The City of Tallahassee has had a long history of annexation activity as a means of achieving growth. During its first 150 years, Tallahassee expanded from one-quarter of a square mile in size to 28.18 square miles in 1974. The City Commission has approved nearly 200 annexations, both of developed and undeveloped parcels, to ensure its economic stability and better manage the developing urban area. Fourteen annexations were passed through a double referendum as set forth by Florida law, requiring passage by the majority of the City residents and the residents in the affected area. Since 1990, all but two of the City's annexations occurred when all of the property owners in the affected areas requested incorporation of their property into the City.

Comprehensive Plan

In 1985, the Florida Legislature passed the Local Government Comprehensive Planning and Land Development Regulation Act (the "Planning Act"). This Act required all local governments to develop comprehensive plans designed to plan for and control the impact of growth. As applied to the City, the local plan includes the following elements:

- Future Land Use;
- Transportation;
- Utilities (except electric);
- Economic Development;
- Housing;
- Historic Preservation;
- Conservation;
- Recreation and Open Space;
- Intergovernmental Coordination; and
- Capital Improvements.

All local governmental plans must be fundable, implementable, and consistent with State and regional plans. They must discuss existing facilities, adopt levels of service to be provided and project future demands. The plans have the force of law (mandated by State statute and adopted by local ordinance) and are implemented through local development regulations, local activities and programs, and intergovernmental agreements.

The City originally adopted its Comprehensive Plan (the "Plan") on July 16, 1990. As required by the Act, the Plan was submitted to the State of Florida Department of Community Affairs (the "Department") for consistency review with the State and regional plans and to ensure compliance with all aspects of the Act and adopted rules of the Department. Additionally, pursuant to Section 163.3191, Florida Statutes, "each local government shall adopt an evaluation and appraisal report (EAR) once every seven years assessing the progress in implementing the local government comprehensive plan." The last EAR for the City and the County was submitted and approved in 2007. Effective beginning in 2011, local governments no longer need to submit evaluation and appraisal reports to the Department for a sufficiency determination. At least every seven years, pursuant to Rule Chapter 73C-49, Florida Administrative Code, the local government determines whether the need exists to amend the comprehensive plan to reflect changes in state requirements since the last time the comprehensive plan was updated.

In December 2025, the City and County voted to adopt an update to the Land Use and Mobility Elements of the Tallahassee-Leon County Comprehensive Plan. This update combines these two elements into one Land Use and Mobility Element focused on the community values of Environmental Stewardship, Conscientious Growth, Community Connectivity, Diversity, Community Focus, and Prosperity. The updated Land Use and Mobility Element provides a roadmap for accommodating the projected growth of Tallahassee-Leon County to 2050, while:

- Preserving our natural environment
- Discouraging urban sprawl
- Encouraging development in areas with existing and planned infrastructure
- Discouraging densities in areas without infrastructure to support growth
- Protecting the character of existing neighborhoods
- Maintaining and enhancing the elements of our community that make Tallahassee and Leon County unique.

Pending State review, the Land Use and Mobility Elements Update will become effective in January 2026. The remaining elements of the Plan will be updated in future years.

Enforcement of the Plan is achieved through the Land Development Code and other related City policies and procedures. The City is prohibited from issuing permits for new construction or development (residential or commercial) until the City determines that all necessary infrastructure, including utilities, is available at the appropriate levels of service, concurrent with the construction, and that the development of the facility is consistent with all elements of the Plan. The required utilities services include electric service, although it is not necessarily required that such electric service be provided by the City. This requires the City to more accurately project future needs and related capital improvements to ensure maintenance of standards set forth in the Plan.

Risk Management

The City's risk management program provides for coverage of all potential claims either through transfer of those risks to a third-party insurance carrier or through an actuarially funded self-insurance program. The City self-insures general liability, automobile liability, workers' compensation claims and employee practice liability. Other risks are covered through various forms of insurance. All departments are charged with their pro rata share of costs and expenses based upon actual losses and overall risk assumed. The self-insurance program is actuarially reviewed annually.

The City purchases property insurance for municipal locations and separately for the utilities. In May 2024, Tallahassee was struck by two EF-2 tornados causing damage to the electric distribution system and city structures. As a result of this outbreak, the city's insured losses were approximately $1.18M. The insurance recovery was $981,000 with the difference being deductibles and depreciation. The city intends to include the deductibles to FEMA for consideration and reimbursement.

The City takes a holistic, defense-in-depth approach to cybersecurity, focusing on five core pillars of infrastructure protection and resilience. These pillars include: (1) infrastructure reliability maintained through continuous vulnerability management and security patching; (2) strict data protection standards utilizing encryption for data both in transit and at rest; (3) system resilience ensured by a reputable vendor, which provides reliable, replicated backups of our on-premise infrastructure, data, and cloud environments; (4) the cultivation of a security-first culture through continuous, cybersecurity awareness training; and (5) robust defense-in-depth strategies that include next-generation firewalls, DNS security solutions, and robust EDR/XDR. This technical defense is supported by strict network segmentation.

To combat modern threats, the City has modernized its communication defenses with advanced email security platforms capable of autonomously mitigating sophisticated phishing and malware campaigns. Furthermore, the City maintains strategic partnerships at both the federal and state levels. We utilize the

Department of Homeland Security's CISA Cyber Hygiene (CyHy) program for continuous external vulnerability scanning, and we actively partner with the Florida Digital Service (FLDS) to continuously improve our security posture and promote cyber intelligence sharing with the broader state governmental enterprise.

While these comprehensive controls significantly reduce the City's risk profile, no network is entirely immune to compromise, and no absolute assurances can be given that a highly sophisticated cyberattack will not temporarily impact City operations.

The City purchases Cyber Liability and Commercial Crime policies to address the above-referenced risks. The Cyber Liability policy provides the City with coverage for first party response and expense costs such as forensic analysis, expert cyber response counsel, public relations, business interruption and data recovery. This policy also provides liability coverage for damages as a result of a malicious act. The Commercial Crime policy provides coverage for direct loss by the City. In addition to these policies, the City's property insurance supplies limited coverage for physical loss to hardware and coverage for any resulting damage to property as a result of a malicious act. The City has also been updating insurance requirements for solicitations to require Cyber Liability insurance for contracts where appropriate.

In March of 2024, the City suffered a vendor imposter security breach of its vendor management system. The perpetrator of the fraud attempted to divert $2.4 million. $1.4 million was recovered almost immediately upon detection of the fraud. An arrest was made in February 2026 related to this breach. The impact to the City is approximately one million dollars. Following the fraud, the City conducted an extensive review of the vendor portal process and instituted multiple changes to increase security. In addition to the process changes, the City is evaluating additional security enhancements and/or vendor portal management services.

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations could be displaced. However, the City is unable to predict whether sea level rise or other impacts of climate change or flooding from another major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City or the Pledged Revenues.

City Investment Policy

The City Treasurer-Clerk administers the City's investment program and is responsible for ensuring the proper management, internal controls, safekeeping, and recording of all investment assets held or controlled by the City. The City has promulgated a non-pension investment policy to govern the investment of all non-pension financial assets held or controlled by the City, not otherwise classified as restricted assets requiring separate investing (the "Investment Policy"). The Investment Policy sets forth standards for investing, safekeeping and custody requirements, and reporting requirements. Individual criteria consisting of, at a minimum, objectives, authorized investments and performance evaluation criteria are established on an individual basis for specialized portfolios governed under specific legal constraints. Criteria for the City's core portfolio is also set forth in the Investment Policy. A copy of the Investment Policy may be obtained from the City Treasurer-Clerk's Office or through this link Non Pension Investment Policy (talgov.com).

During the 2023 legislative session, the Florida Legislature added section 112.662 to the Florida Statutes that provides directives on investment decisions and proxy voting by Florida municipalities. Investment decisions must be driven solely by pecuniary factors and investment return may not be sacrificed to promote non-pecuniary factors. The revisions were approved by the Investment Advisory Committee at their meeting on August 31, 2023, and the Sinking Fund Commission at the City Commission meeting on October 11, 2023.

The policy was amended on December 11, 2024 by the Sinking Fund Commission following the engagement of a third-party firm to provide independent performance calculations. The policy was updated to reflect this new structure.

City Debt Management Policy

The City Treasurer-Clerk administers the City's debt management program and is responsible for issuing the City's bonds. The Debt Management Policy sets forth standards for the issuance and management of the City's debt. A copy of the Debt Management Policy may be obtained from the City Treasurer-Clerk's Office or through this link City Commission Policy 238 (talgov.com). The Policy provides targets for liquidity, operating margin, and debt burden for each of the City's three debt programs: general government (capital bonds), energy system, and consolidated utility systems. There are also targets for the percentage of debt that can be in variable rate and/or rolling medium term note debt. The table below indicates the targets and actual values for the liquidity metrics as of fiscal year end.

Debt Program	Liquidity – Target	Liquidity - Actual
General Fund	Spendable General Fund Balance of 15% of General Fund Expenditures	Spendable General Fund Balance of 14.2% of General Fund Expenditures
Consolidated Utility Systems	150 days cash on hand	509 days cash on hand
Energy System	210 days cash on hand	426 days cash on hand

The following table displays the target and actual for the operating margin component as of September 30, 2025:

Debt Program	Debt Service as % of Expenditures/Coverage Ratio-Target	Debt Service as % of Expenditures/Coverage Ratio-Actual
General Fund	Net Debt Service to be less than 10% of General Fund Expenditures	Net Debt Service of 3.68% of General Fund Expenditures
Consolidated Utility Systems	Debt Service Coverage of 1.50X or higher	Debt Service Coverage of 2.56X
Energy System	Debt Service Coverage of 2.0X or higher	Debt Service Coverage of 3.46X

The table below shows the target and actual for the debt burden as of the end of FY 2025.

Debt Program	Debt Burden-Target	Debt Burden-Actual
General Fund	Debt as a % of Full Market Values less than 2%	Debt is 0.575% of Full Market Value
Consolidated Utility Systems	Debt as a % of Capital Assets less than 50%	Debt is 34.34% of Capital Assets
Energy System	Debt as a % of Capital Assets less than 60%	Debt is 36.15% of Capital Assets

GENERAL GOVERNMENT DEBT

Capital Bonds

The City's Capital Bonds are supported by four revenue sources: 1) the Local Government Half-Cent Sales Tax, 2) the Guaranteed Entitlement Revenues, 3) the Local Communications Services Tax, and 4) the Public Service Tax. The following provides a discussion of each of these revenues.

Local Government Half-Cent Sales Tax: The State of Florida levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State of Florida, subject to certain exceptions and dealer allowances. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half cent on every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Effective July 1, 2004, the proportion of sales tax revenues deposited in the Local Government Half Cent Sales Tax Trust Fund in the State Treasury (the "Trust Fund") was reduced to 8.714% of the sales tax remitted to the State of Florida by each sales tax dealer located within a particular county (the "Half-Cent Sales Tax Revenues"). Such proportion of the Half-Cent Sales Tax Revenues is deposited in the Trust Fund and is earmarked for distribution to the governing body of each county and each participating municipality within that county pursuant to a distribution formula. The Half-Cent Sales Tax Revenues are distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Part VI, Chapter 218, Florida Statutes (the "Sales Tax Act"). The general rate of sales tax in the State is currently 6%.

The amount of Half-Cent Sales Tax Revenues distributed to the City varies due to changes in sales within Leon County, as well as changes in the relative population of Leon County and the City.

In order to be eligible to receive distributions of the Local Government Half-Cent Sales Tax, each participating county and eligible municipalities must satisfy the conditions for eligibility for distribution of certain revenue-sharing monies pursuant to Section 218.23, Florida Statutes. Failure by the City to meet these eligibility requirements would result in the deposit of the City's share of the Local Government Half-Cent Sales Tax into the General Fund of the State for the 12-month period following the determination of noncompliance. Historically, the City has consistently complied with all the requirements for participation in the Local Government Half-Cent Sales Tax distribution as set forth in Chapter 218, Florida Statutes.

The Local Government Half-Cent Sales Tax collected within a county is distributed to each participating county and municipality in accordance with the formula set forth In Section 218.62, Florida Statutes. The distribution is as follows:

$$\text{County's share (Percentage of total Local Government Half-Cent Sales Tax receipts)} = \frac{\text{unincorporated area population} + \text{2/3 incorporated area population}}{\text{total county population} + \text{2/3 incorporated area population}}$$

Continuation of the distribution is as follows:

$$\text{Municipality's share (Percentage of total Local Government Half-Cent Sales Tax receipts)} = \frac{\text{municipality population}}{\text{total county population} + \text{2/3 incorporated area population}}$$

As used in the above formula, "population" means the latest official state estimate of population certified pursuant to Section 186.901, Florida Statutes, prior to the beginning of the local government fiscal year. Revenues are distributed monthly to eligible cities and counties. For the most recent fiscal year ended on September 30, the revenues received by the City are provided in the following table:

Historical Collections of Revenues from
Revenue Sharing Trust Fund for Municipalities and Revenue Sharing Proceeds

Year Ended September 30	Revenues Received from the Revenue Sharing Trust fund for Municipalities	Percentage Change from Prior Fiscal Year
2016	$ 6,215,115	7.4%
2017	6,474,193	4.2%
2018	6,772,236	4.6%
2019	6,970,213	2.9%
2020	6,375,529	-8.5%
2021	7,801,245	22.4%
2022	8,814,193	13.0%
2023	8,580,489	-2.7%
2024	9,528,750	11.1%
2025	9,752,176	2.3%

Guaranteed Entitlement Revenues: The definition of Guaranteed Entitlement, as it applies to Florida municipalities, was amended in 2003 and is currently defined in the Florida Revenue Sharing Act of 1972, which is contained in Chapter 218, Part II, Florida Statutes (the "Revenue Sharing Act") to mean the amount of revenue which must be shared with an eligible unit of local government so that no eligible municipality will receive less funds from the Revenue Sharing Trust Fund for Municipalities established by the Revenue Sharing Act in any State fiscal year, to the extent available, than the amount received by that municipality in the aggregate from certain State taxes in the 1971 - 1972 fiscal years.

The guaranteed entitlement portion of State revenue sharing which accrues annually to the City totals $1,250,000, and this amount is received by the City in substantially equal monthly payments.

Local Communications Services Tax: The City levies a Local Communications Services Tax pursuant to Chapter 202, Florida Statutes. Communications services means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method.

Purchases by the United States Government, the State of Florida, other public bodies and any religious institution or educational institution that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code are exempt from the Local Communications Services Tax.

If actual revenues do not reach expectations, as measured by comparing actual revenues to previously collected revenues increased by the average five-year growth rates, Section 202.20 (2), Florida Statutes, authorizes local governments to adjust its Local Communications Services Tax.

Beginning July 1, 2007, a government may make an adjustment in its rate only if the Department reallocates other Local Communication Services Tax revenues away from the local government. In October 2008, the City authorized an increase in the tax rate from 5.37% to 5.98% (none of the rates include the add on of 0.12% for permits).

Public Service Tax: The City levies a Public Service Tax pursuant to Sections 166.231 – 166.235, Florida Statutes, which authorizes any municipality within the State to levy a public service tax (the "Public Service Tax") on the purchase of electricity, metered natural gas, liquefied petroleum gas (either metered or bottled), manufactured gas (either metered or bottled) and water services as well as any service competitive with the services specifically enumerated. The City levies its public service tax under the provisions of City Code Section 18-121. Under such provisions of the City Code, the City established a public service tax rate of ten percent (10%) and a rate of four cents ($0.04) per gallon on the purchase of fuel oil.

The Public Service Tax is not imposed against any fuel adjustment charge, which is defined as all increases in the cost of utility services to the ultimate customer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973. The City Code exempts from its provisions: (i) purchases of electricity, water or gas by the United States Government, the State of Florida, or by any recognized church for use exclusively for church purposes, and (ii) with respect to 50% of the tax on purchase of electric energy for up to and not exceeding five years, certain qualified businesses located within the City's enterprise zone. The purchase of natural gas, manufactured gas or fuel oil by a public or private utility, either for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines is exempt from taxation under the Public Service Tax Law.

Selected General Government Statistics
Pledged Revenues and Debt Service (000's of dollars)
City of Tallahassee, Capital Bonds

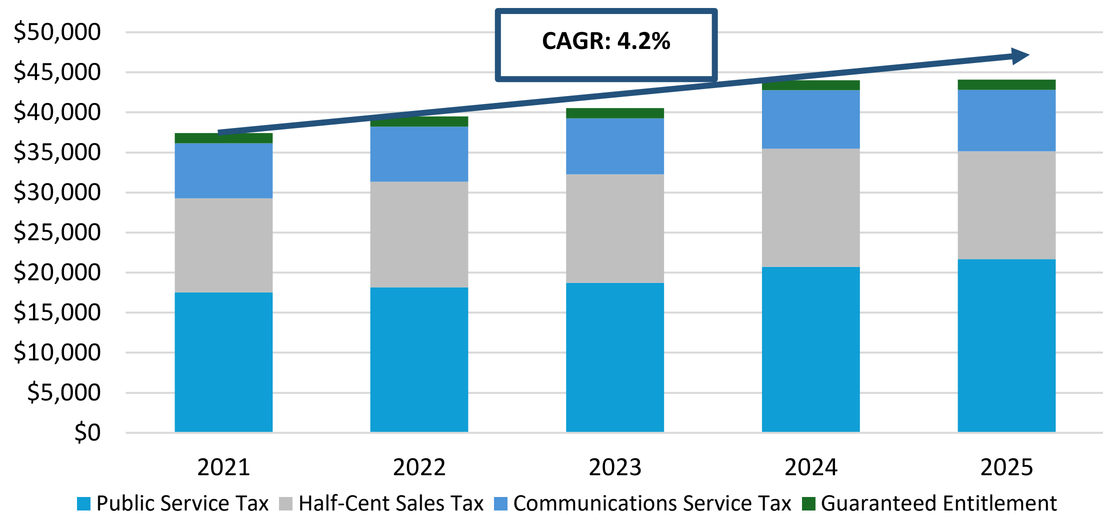
Fiscal Years Ending September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Communications Service Tax	$6,888	$6,888	$7,005	$7,286	$7,679
Half Cent Sales Tax	11,724	13,192	13,552	14,753	13,483
Guaranteed Entitlement	1,251	1,250	1,250	1,250	1,251
Public Service Tax	17,545	18,152	18,715	20,720	21,668
Total Revenue	**37,408**	**39,482**	**40,522**	**44,009**	**44,081**
Debt Service*	$13,210	$13,207	$12,344	$12,855	$10,770
Debt Service Coverage*	**2.83**	**2.99**	**3.28**	**3.42**	**4.09**

*Debt service totals and debt service coverage include 2009 capital bond debt

Capital Bond Highlights

The City's broad and diverse Capital Bond pledge has demonstrated to be resilient over time. The City's capacity to support additional debt remains robust. General government debt issuance over the last few years has been planned and communicated with ratings agencies and investors. Projected senior coverage is expected to remain above 2.5x. The table below shows the growth of the pledged revenues over the last five years:

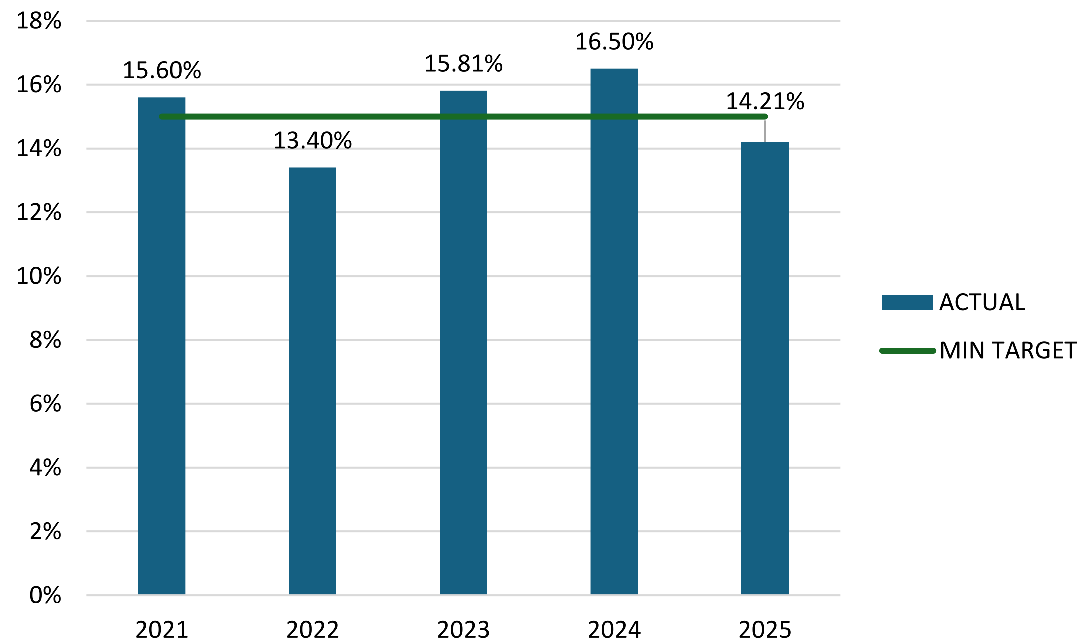
GROWTH IN PLEDGED REVENUES (2021-2025)



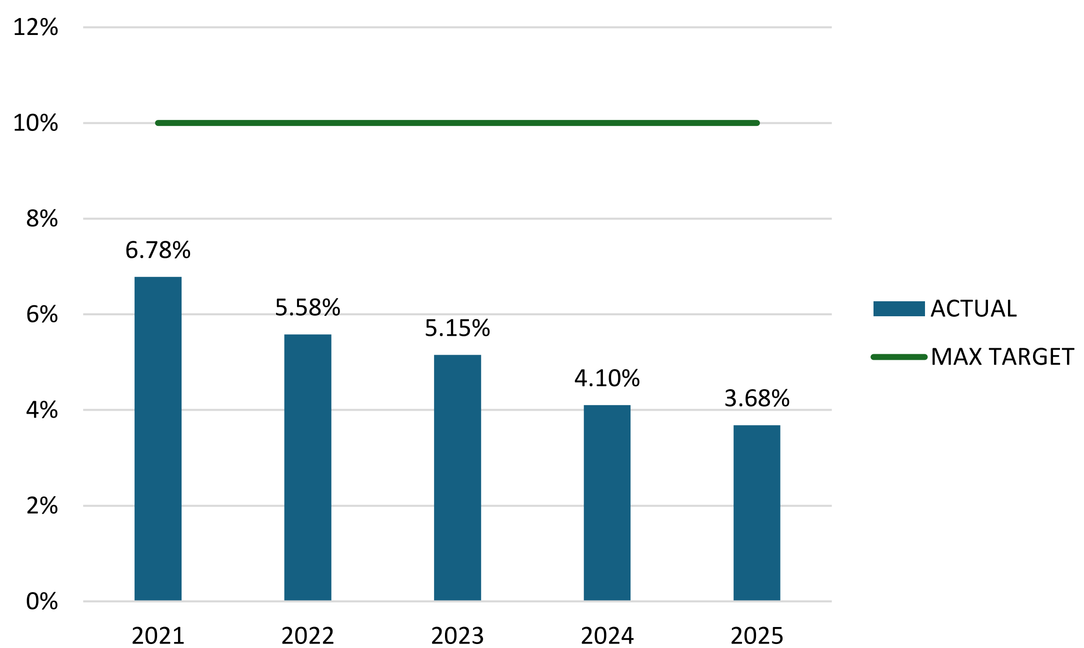
General Fund Debt Management Metrics

The City's Debt Management Policy #238 sets forth standards for the issuance and management of City debt. General Fund liquidity has exceeded the target four of the last five years. Both the Operating Margins and Debt Burden metrics remain well below their targets over the last five years. The following three charts provide the five-year history for the metrics:

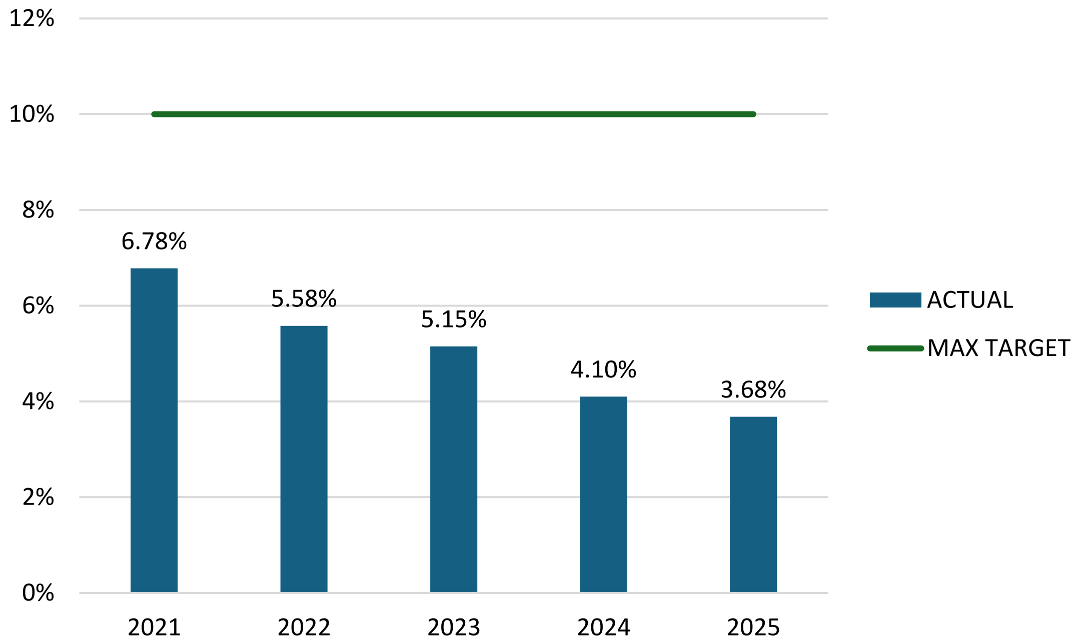
LIQUIDITY (SPENDABLE GF BALANCE AS OF % OF GF EXPENDITURES)



OPERATING MARGIN (DEBT SERVICE % OF EXPENDITURES/COVERAGE RATIO)



DEBT BURDEN (DEBT AS % OF FULL MARKET VALUE)



CAPITAL BONDS (GENERAL GOVERNMENT DEBT) CITY OF TALLAHASSEE, FLORIDA CONSOLIDATED DEBT SERVICE						
Bond Year Ending October 1	**Total**	**$88,365,000 Series 2025**	**$65,110,000 Series 2024**	**$37,455,000 Series 2022**	**$6,035,000 Series 2021**	**$26,975,000 Series 2009**
2026	$13,693,488	$5,015,083	$3,326,500	$3,068,624	$933,852	$1,349,429
2027	13,648,427	4,963,575	3,332,750	3,070,150	932,692	1,349,260
2028	13,645,930	5,361,075	3,658,500	3,068,892	931,408	626,055
2029	13,640,454	6,357,575	3,587,750	3,069,850	-	625,279
2030	13,638,186	6,357,075	3,584,500	3,072,850	-	623,761
2031	13,641,451	6,356,825	3,585,500	3,072,718	-	626,408
2032	13,646,529	6,361,575	4,215,500	3,069,454	-	-
2033	13,636,883	6,355,825	4,208,000	3,073,058	-	-
2034	13,646,257	6,359,825	4,218,250	3,068,182	-	-
2035	11,888,075	8,107,825	3,780,250	-	-	-
2036	11,888,575	8,107,325	3,781,250	-	-	-
2037	11,896,325	8,111,075	3,785,250	-	-	-
2038	11,895,325	8,113,325	3,782,000	-	-	-
2039	10,230,325	4,998,575	5,231,750	-	-	-
2040	10,223,825	4,997,075	5,226,750	-	-	-
2041	10,226,325	4,995,325	5,231,000	-	-	-
2042	10,226,825	4,998,075	5,228,750	-	-	-
2043	10,229,825	4,999,825	5,230,000	-	-	-
2044	10,224,575	4,995,325	5,229,250	-	-	-
2045	12,505,825	4,999,575	7,506,250	-	-	-
2046	12,498,575	4,996,825	7,501,750	-	-	-
2047	12,503,338	4,999,588	7,503,750	-	-	-
2048	12,505,200	4,998,950	7,506,250	-	-	-
2049	12,503,150	4,999,650	7,503,500	-	-	-
2050	7,306,163	4,996,163	2,310,000	-	-	-
2051	7,307,725	4,998,225	2,309,500	-	-	-
2052	7,309,550	5,000,050	2,309,500	-	-	-
2053	7,305,863	4,996,113	2,309,750	-	-	-
2054	7,306,150	4,996,150	2,310,000	-	-	-
2055	4,999,375	4,999,375	-	-	-	-
TOTALS	**$335,818,518**	**$170,892,846**	**$129,293,750**	**$27,633,778**	**$2,797,952**	**$5,200,192**

CAPITAL BONDS (GENERAL GOVERNMENT DEBT)
CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED DEBT SERVICE - PRINCIPAL OUTSTANDING

Bond Year Ending October 1	Total	$88,365,000 Series 2025	$65,110,000 Series 2024	$37,455,000 Series 2022	$6,035,000 Series 2021	$26,975,000 Series 2009
2026	$4,425,000	$0	$75,000	$2,255,000	$900,000	$1,195,000
2027	5,020,000	450,000	85,000	2,335,000	910,000	1,240,000
2028	5,170,000	870,000	415,000	2,415,000	920,000	550,000
2029	5,345,000	1,910,000	365,000	2,500,000	-	570,000
2030	5,565,000	2,005,000	380,000	2,590,000	-	590,000
2031	5,800,000	2,105,000	400,000	2,680,000	-	615,000
2032	6,035,000	2,215,000	1,050,000	2,770,000	-	-
2033	6,285,000	2,320,000	1,095,000	2,870,000	-	-
2034	6,565,000	2,440,000	1,160,000	2,965,000	-	-
2035	5,090,000	4,310,000	780,000	-	-	-
2036	5,345,000	4,525,000	820,000	-	-	-
2037	5,620,000	4,755,000	865,000	-	-	-
2038	5,900,000	4,995,000	905,000	-	-	-
2039	4,530,000	2,130,000	2,400,000	-	-	-
2040	4,750,000	2,235,000	2,515,000	-	-	-
2041	4,990,000	2,345,000	2,645,000	-	-	-
2042	5,240,000	2,465,000	2,775,000	-	-	-
2043	5,505,000	2,590,000	2,915,000	-	-	-
2044	5,775,000	2,715,000	3,060,000	-	-	-
2045	8,345,000	2,855,000	5,490,000	-	-	-
2046	8,755,000	2,995,000	5,760,000	-	-	-
2047	9,205,000	3,155,000	6,050,000	-	-	-
2048	9,675,000	3,320,000	6,355,000	-	-	-
2049	10,165,000	3,495,000	6,670,000	-	-	-
2050	5,485,000	3,675,000	1,810,000	-	-	-
2051	5,770,000	3,870,000	1,900,000	-	-	-
2052	6,070,000	4,075,000	1,995,000	-	-	-
2053	6,380,000	4,285,000	2,095,000	-	-	-
2054	6,710,000	4,510,000	2,200,000	-	-	-
2055	4,750,000	4,750,000	-	-	-	-
TOTALS	**$184,265,000**	**$88,365,000**	**$65,030,000**	**$23,380,000**	**$2,730,000**	**$4,760,000**

$88,365,000
CITY OF TALLAHASSEE, FLORIDA
Capital Refunding Bonds, Series 2025

Dated: August 21, 2025

Purpose

The Series 2025 Bonds were issued to finance the initial construction of a new police headquarters, various road improvements, and improvements to City-owned facilities, and to refund the Capital Bonds, Series 2018, and to refund the Taxable Public Improvement Revenue Note, Series 2020.

Security

The Series 2024 Bonds are secured by a pledge of lien on the City's receipts from Guaranteed Entitlement Revenues, the Local Government Half-Cent Sales Tax, the Local Communication Services Tax, and the Public Services Tax Revenues, on a parity with the Capital Bonds, Series 2024, the Capital Refunding Bond, Series 2022, and the Capital Bonds, Series 2021.

Bond Reserve

There are no debt service reserve fund requirements.

Form

$88,365,000 Serial Bonds, all fully registered, due October 1, 2055. The Bonds are book-entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2026.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	Aa2
Fitch:	AA+
Standard & Poor's:	N/A

Optional Prepayment

The Series 2025 Bonds maturing on or prior to October 1, 2035, are not subject to optional redemption prior to maturity. The Series 2025 Bonds maturing after October 1, 2035 are subject to redemption prior to maturity at the option of the City, as a whole or in part at any time (if in part, the maturities and the principal amounts to be redeemed are to be determined by the City in its sole discretion) on or after October 1, 2035 at a redemption price of 100% of the principal amount of the Series 2025 Bonds to be redeemed, plus accrued interest to the date of redemption.

$88,365,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL BONDS, SERIES 2025				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$0	$5,015,083	$5,015,083
2027	5.000%	450,000	4,513,575	4,963,575
2028	5.000%	870,000	4,491,075	5,361,075
2029	5.000%	1,910,000	4,447,575	6,357,575
2030	5.000%	2,005,000	4,352,075	6,357,075
2031	5.000%	2,105,000	4,251,825	6,356,825
2032	5.000%	2,215,000	4,146,575	6,361,575
2033	5.000%	2,320,000	4,035,825	6,355,825
2034	5.000%	2,440,000	3,919,825	6,359,825
2035	5.000%	4,310,000	3,797,825	8,107,825
2036	5.000%	4,525,000	3,582,325	8,107,325
2037	5.000%	4,755,000	3,356,075	8,111,075
2038	5.000%	4,995,000	3,118,325	8,113,325
2039	5.000%	2,130,000	2,868,575	4,998,575
2040	5.000%	2,235,000	2,762,075	4,997,075
2041	5.000%	2,345,000	2,650,325	4,995,325
2042	5.000%	2,465,000	2,533,075	4,998,075
2043	5.000%	2,590,000	2,409,825	4,999,825
2044	5.000%	2,715,000	2,280,325	4,995,325
2045	5.000%	2,855,000	2,144,575	4,999,575
2046	5.250%	2,995,000	2,001,825	4,996,825
2047	5.250%	3,155,000	1,844,588	4,999,588
2048	5.250%	3,320,000	1,678,950	4,998,950
2049	5.250%	3,495,000	1,504,650	4,999,650
2050	5.250%	3,675,000	1,321,163	4,996,163
2051	5.250%	3,870,000	1,128,225	4,998,225
2052	5.250%	4,075,000	925,050	5,000,050
2053	5.250%	4,285,000	711,113	4,996,113
2054	5.250%	4,510,000	486,150	4,996,150
2055	5.250%	4,750,000	249,375	4,999,375
TOTALS		**$88,365,000**	**$82,527,846**	**$170,892,846**

$65,110,000
CITY OF TALLAHASSEE, FLORIDA
Capital Bonds, Series 2024

Dated: April 18, 2024

Purpose

The Series 2024 Bonds were issued to finance the initial construction of a new police headquarters, various road improvements, and improvements to City-owned facilities.

Security

The Series 2024 Bonds are secured by a pledge of lien on the City's receipts from Guaranteed Entitlement Revenues, the Local Government Half-Cent Sales Tax, the Local Communication Services Tax, and the Public Services Tax Revenues, on a parity with the Capital Bond, Series 2022, the Capital Bonds, Series 2021, and the Capital Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

$65,110,000 Serial Bonds, all fully registered, due October 1, 2054. The Bonds are book-entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	Aa2
Fitch:	AA+
Standard & Poor's:	N/A

Optional Prepayment

The Series 2024 Bonds maturing on or prior to October 1, 2032, are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing after October 1, 2032 are subject to redemption prior to maturity at the option of the City, as a whole or in part at any time (if in part, the maturities and the principal amounts to be redeemed are to be determined by the City in its sole discretion) on or after October 1, 2032 at a redemption price of 100% of the principal amount of the Series 2024 Bonds to be redeemed, plus accrued interest to the date of redemption.

$65,110,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL BONDS, SERIES 2024				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$75,000	$3,251,500	$3,326,500
2027	5.000%	85,000	3,247,750	3,332,750
2028	5.000%	415,000	3,243,500	3,658,500
2029	5.000%	365,000	3,222,750	3,587,750
2030	5.000%	380,000	3,204,500	3,584,500
2031	5.000%	400,000	3,185,500	3,585,500
2032	5.000%	1,050,000	3,165,500	4,215,500
2033	5.000%	1,095,000	3,113,000	4,208,000
2034	5.000%	1,160,000	3,058,250	4,218,250
2035	5.000%	780,000	3,000,250	3,780,250
2036	5.000%	820,000	2,961,250	3,781,250
2037	5.000%	865,000	2,920,250	3,785,250
2038	5.000%	905,000	2,877,000	3,782,000
2039	5.000%	2,400,000	2,831,750	5,231,750
2040	5.000%	2,515,000	2,711,750	5,226,750
2041	5.000%	2,645,000	2,586,000	5,231,000
2042	5.000%	2,775,000	2,453,750	5,228,750
2043	5.000%	2,915,000	2,315,000	5,230,000
2044	5.000%	3,060,000	2,169,250	5,229,250
2045	5.000%	5,490,000	2,016,250	7,506,250
2046	5.000%	5,760,000	1,741,750	7,501,750
2047	5.000%	6,050,000	1,453,750	7,503,750
2048	5.000%	6,355,000	1,151,250	7,506,250
2049	5.000%	6,670,000	833,500	7,503,500
2050	5.000%	1,810,000	500,000	2,310,000
2051	5.000%	1,900,000	409,500	2,309,500
2052	5.000%	1,995,000	314,500	2,309,500
2053	5.000%	2,095,000	214,750	2,309,750
2054	5.000%	2,200,000	110,000	2,310,000
TOTALS		**$65,030,000**	**$64,263,750**	**$129,293,750**

$37,455,000
CITY OF TALLAHASSEE, FLORIDA
Capital Refunding Bond, Series 2022

Dated: November 1, 2022

Purpose

The Series 2022 Capital Refunding Bond was issued to refund the callable portion of the Series 2012 Capital Refunding Bonds and Series 2014 Capital Refunding Bonds.

Security

The Series 2022 Bond is secured by a pledge of lien on the City's receipts from Guaranteed Entitlement Revenues, the Local Government Half-Cent Sales Tax, the Local Communication Services Tax, and the Public Services Tax Revenues, on a parity with the Capital Bonds, Series 2024, the Capital Bonds, Series 2021, and the Capital Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The Series 2022 Bond is fully registered and due October 1, 2034. The Series 2022 Bond is evidenced by a physical certificate. The Series 2022 Bond was priced competitively and issued as a private placement, with Bank of America as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2023.

Agents

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Prepayment

The Series 2022 Bond shall be subject to prepayment at the option of the Issuer, in whole or in part, at any time, with no penalty or premium, by paying to the Holder the principal amount on the Series 2022 Bond being prepaid, together with the unpaid interest accrued to the date of such prepayment.

$37,455,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL REFUNDING BOND, SERIES 2022				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	3.480%	$ 2,255,000	$ 813,624	$ 3,068,624
2027	3.480%	2,335,000	735,150	3,070,150
2028	3.480%	2,415,000	653,892	3,068,892
2029	3.480%	2,500,000	569,850	3,069,850
2030	3.480%	2,590,000	482,850	3,072,850
2031	3.480%	2,680,000	392,718	3,072,718
2032	3.480%	2,770,000	299,454	3,069,454
2033	3.480%	2,870,000	203,058	3,073,058
2034	3.480%	2,965,000	103,182	3,068,182
TOTALS		**$ 23,380,000**	**$ 4,253,778**	**$ 27,633,778**

$6,035,000
CITY OF TALLAHASSEE, FLORIDA
Capital Bonds, Series 2021

Dated: December 8, 2021

Purpose

The Series 2021 Bonds were issued to finance the acquisition of radios for public safety personnel.

Security

The Series 2021 Bonds are secured by a pledge of lien on the City's receipts from Guaranteed Entitlement Revenues, the Local Government Half-Cent Sales Tax, the Local Communication Services Tax, and the Public Services Tax Revenues, on a parity with the Capital Bonds, Series 2024, the Capital Bond, Series 2022, and the Capital Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

$6,035,000 Serial Bonds, all fully registered, due October 1, 2028. The Bonds are book-entry-only and is not evidenced by a physical certificate. The Bonds were priced competitively and issued as a private placement, with Capital City Bank as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2022.

Agents

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Redemption

The Series 2021 Bonds shall be subject to prepayment at the option of the Issuer, in whole or in part, at any time, with no penalty or premium, by paying to the Holder the principal amount on the Series 2021 Bonds being prepaid, together with the unpaid interest accrued to the date of such prepayment.

$6,035,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL BONDS, SERIES 2021				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	1.240%	$ 900,000	$ 33,852	$ 933,852
2027	1.240%	910,000	22,692	932,692
2028	1.240%	920,000	11,408	931,408
TOTALS		**$ 2,730,000**	**$ 67,952**	**$ 2,797,952**

$26,975,000
CITY OF TALLAHASSEE, FLORIDA
Capital Improvement Refunding Revenue Bond, Series 2009

Dated: April 24, 2009

Purpose

The Series 2009 Bond was issued to repay a portion of the outstanding principal amount of the obligation evidenced by a loan agreement between the City of Tallahassee and the Sunshine State Governmental Financial Commission.

Security

The bond is secured by a junior lien pledge on the City's Guaranteed Entitlement Revenues; the City's receipts from the Local Government Half-Cent Sales Tax; the proceeds from the City's Local Communications Services Tax; and earnings on the investment of all funds and accounts created under the Resolution except the Rebate Fund.

Bond Reserve

There are no debt service reserve fund requirements.

Form

$26,975,000 Capital Improvement Refunding Revenue Bond is fully registered and due April 1, 2031. The Bond is book-entry-only and is not evidenced by a physical bond certificate. The Bond was priced competitively and issued as a private placement, with Bank of America, N.A., as the original purchaser. Interest is payable semiannually on each April 1 and October 1, commencing October 1, 2009.

Agent

Bond Counsel: Bryant Miller Olive P.A., Tallahassee, Florida

Optional Redemption

The Series 2009 Bond may be prepaid at the option of the City in whole, or in part, on any date, with three days prior written notice to the Owner by payment in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment plus the prepayment fee.

$26,975,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL IMPROVEMENT REFUNDING REVENUE BOND, SERIES 2009				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	3.710%	$ 1,195,000	$ 154,429	$ 1,349,429
2027	3.710%	1,240,000	109,260	1,349,260
2028	3.710%	550,000	76,055	624,055
2029	3.710%	570,000	55,279	625,279
2030	3.710%	590,000	33,761	623,761
2031	3.710%	615,000	11,408	626,408
TOTALS		**$ 4,760,000**	**$ 440,192**	**$ 5,200,192**

Covenant to Budget and Appropriate Bonds and Other Unique Pledges

The City's Covenant to Budget and Appropriate Bonds are supported by the Non-Ad valorem Revenues of the City's General Fund but does not include any ad valorem taxes (property taxes). The City has agreed to appropriate for the payment of principal and interest in its annual budget for each year that any bonds with such pledge remain outstanding. The City has further agreed not to incur any additional indebtedness payable from Non-Ad valorem Revenues unless such revenues will be greater than two times the maximum annual debt service on all outstanding debt payable from Non-Ad valorem revenues. The Transportation Improvement Revenue Note was completed and issued as a private placement. The debt service was based on a 7-year amortization.

Selected General Government Debt Statistics
Pledged Revenues (000's of dollars)
Covenant to Budget and Appropriate Bonds

For Fiscal Years Ending September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Non-Ad Valorem Revenues	$107,298	$115,307	$116,522	$124,125	$ 131,915
Debt Service	$ 993	$ 993	$ 993	$ 993	$ 993
Debt Service Coverage	**108.05**	**116.11**	**117.34**	**125.00**	**132.85**

The City imposes a fire assessment to recover costs associated with providing fire services countywide. The fire assessment was pledged for the construction of a new fire station. The fire improvement revenue note was competitively bid and issued as a private placement. The debt service schedule for the fire note was based on a thirty-year amortization schedule with a final maturity of 2044.

Selected General Government Debt Statistics
Pledged Revenues (000's of dollars)
Fire Improvement Revenue Note

For Fiscal Years Ending September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Fire Assessment Revenues	42,396	48,781	48,884	51,533	$ 45,492
Debt Service					$ 1,621
Debt Service Coverage					**28.1x**

Blueprint is a City of Tallahassee and Leon County intergovernmental agency established to implement local projects funded by a local government one-cent sales surtax. The City receives 10% of the surtax revenue for City projects. This revenue source was pledged for the construction of a new senior center. The public improvement revenue note was competitively bid and issued as a private placement. The debt service schedule for the senior center note was limited by the expiration of the surtax with a final maturity of 2038.

Selected General Government Debt Statistics
Pledged Revenues (000's of dollars)
Public Improvement Revenue Note (Senior Center)

For Fiscal Years Ending September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Blueprint 2020 Sales Tax Revenues	4,975	6,037	6,338	6,292	$ 6,503
Debt Service					$ 2,416
Debt Service Coverage					**2.69x**

GENERAL GOVERNMENT CB&A DEBT AND OTHER UNIQUE ISSUES CITY OF TALLAHASSEE, FLORIDA TOTAL DEBT SERVICE			
Bond Year Ending October 1	**FIRN (Fire Assessment) $27,000,000 Series 2024**	**PIRN (Sales Tax) $25,000,000 Series 2024**	**TIRN (CBA) $7,994,660 Series 2019**
2026	$ 1,618,912	$ 2,417,823	$ 993,075
2027	1,618,283	2,414,372	993,077
2028	1,616,812	2,413,697	993,072
2029	1,619,499	2,415,595	-
2030	1,621,133	2,414,864	-
2031	1,616,715	2,416,504	-
2032	1,616,455	2,415,312	-
2033	1,620,142	2,416,288	-
2034	1,617,567	2,414,231	-
2035	1,618,939	2,414,140	-
2036	1,619,048	2,415,813	-
2037	1,617,894	2,414,048	-
2038	1,620,477	2,413,844	-
2039	1,616,587	-	-
2040	1,616,433	-	-
2041	1,619,806	-	-
2042	1,616,495	-	-
2043	1,616,711	-	-
2044	14,315,121	-	-
TOTALS	**$ 43,443,027**	**$ 31,396,529**	**$ 2,979,224**

GENERAL GOVERNMENT CB&A DEBT AND OTHER UNIQUE ISSUES CITY OF TALLAHASSEE, FLORIDA TOTAL DEBT SERVICE – PRINCIPAL OUTSTANDING			
Bond Year Ending October 1	**FIRN (Fire Assessment) $27,000,000 Series 2024**	**PIRN (Sales Tax) $25,000,000 Series 2024**	**TIRN (CBA) $7,994,660 Series 2019**
2026	$ 490,000	$ 1,445,000	$ 927,860
2027	510,000	1,500,000	949,110
2028	530,000	1,560,000	970,840
2029	555,000	1,625,000	-
2030	580,000	1,690,000	-
2031	600,000	1,760,000	-
2032	625,000	1,830,000	-
2033	655,000	1,905,000	-
2034	680,000	1,980,000	-
2035	710,000	2,060,000	-
2036	740,000	2,145,000	-
2037	770,000	2,230,000	-
2038	805,000	2,320,000	-
2039	835,000	-	-
2040	870,000	-	-
2041	910,000	-	-
2042	945,000	-	-
2043	985,000	-	-
2044	14,020,000	-	-
TOTALS	**$ 26,815,000**	**$ 24,050,000**	**$ 2,847,810**

$27,000,000
CITY OF TALLAHASSEE, FLORIDA
Fire Improvement Revenue Note (Fire Station Project), Series 2024

Dated: June 26, 2024

Purpose

The Series 2024 Note was issued to finance the construction of the new Fire Station 17 to be located on Lake Bradford Road.

Security

Debt Service on the 2024 Note will be secured by revenues from the fire services assessment. The issue is structured based on a thirty-year amortization schedule, allows prepayment of the debt at any time, and utilizes a final maturity in 2044.

Bond Reserve

There are no debt service reserve fund requirements.

Form

$27,000,000 Revenue Note is fully registered and due April 1, 2044. The Note is book-entry-only and is not evidenced by a physical certificate. The Note was priced competitively and issued as a private placement, with TD Bank, N.A., as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agent

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Redemption

The Series 2024 Note may be prepaid at the option of the City in whole, or in part, on any date after the eight-year anniversary, with 30 business days prior written notice to the Owner by payment in an amount equal to the principal amount to be prepaid plus accrued interest to the prepayment date.

Events of Default

Upon the occurrence and during the continuation of any Event of Default, interest on the past due payment shall begin to accrue at the Default Rate until such Event of Default has been cured.

$27,000,000 CITY OF TALLAHASSEE, FLORIDA FIRE IMPROVEMENT REVENUE NOTE, SERIES 2024				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	4.210%	$ 490,000	$ 1,128,912	$ 1,618,912
2027	4.210%	510,000	1,108,283	1,618,283
2028	4.210%	530,000	1,086,812	1,616,812
2029	4.210%	555,000	1,064,499	1,619,499
2030	4.210%	580,000	1,041,133	1,621,133
2031	4.210%	600,000	1,016,715	1,616,715
2032	4.210%	625,000	991,455	1,616,455
2033	4.210%	655,000	965,143	1,620,143
2034	4.210%	680,000	937,567	1,617,567
2035	4.210%	710,000	908,939	1,618,939
2036	4.210%	740,000	879,048	1,619,048
2037	4.210%	770,000	847,894	1,617,894
2038	4.210%	805,000	815,477	1,620,477
2039	4.210%	835,000	781,587	1,616,587
2040	4.210%	870,000	746,433	1,616,433
2041	4.210%	910,000	709,806	1,619,806
2042	4.210%	945,000	671,495	1,616,495
2043	4.210%	985,000	631,711	1,616,711
2044	4.210%	14,020,000	295,121	14,315,121
TOTALS		**$ 26,815,000**	**$ 16,628,027**	**$ 43,443,056**

$25,000,000
CITY OF TALLAHASSEE, FLORIDA
Public Improvement Revenue Note (Senior Center), Series 2024

Dated: April 19, 2024

Purpose
The Series 2024 Note was issued to finance the construction of a new Senior Center on Welaunee Boulevard in the Canopy development.

Security
Debt Service on the 2024 Note will be secured by Sales Tax Revenues. "Sales Tax Revenues" means the City's 10% of the one percent (1%) local government infrastructure surtax revenues collected by the Blueprint Intergovernmental Agency. Pursuant to the interlocal agreement, the Sales Tax Revenues shall end on December 1, 2039; final maturity of the 2024 Note is scheduled for October 1, 2038.

Bond Reserve
There are no debt service reserve fund requirements.

Form
$25,000,000 Revenue Note is fully registered and due October 1, 2038. The Note is book-entry-only and is not evidenced by a physical certificate. The Note was priced competitively and issued as a private placement, with TD Bank, N.A., as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agent

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Redemption
The Series 2024 Note may be prepaid at the option of the City in whole, or in part, on any date, with 30 business days prior written notice to the Owner by payment in an amount equal to the principal amount to be prepaid plus accrued interest to the prepayment date. Depending on the market conditions at time of any prepayment, a "fixed rate prepayment charge," or a "yield maintenance fee" may apply.

Events of Default
Upon the occurrence and during the continuation of any Event of Default, interest on the past due payment shall begin to accrue at the Default Rate until such Event of Default has been cured.

$25,000,000 CITY OF TALLAHASSEE, FLORIDA PUBLIC IMPROVEMENT REVENUE NOTE (SENIOR CENTER), SERIES 2024				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	4.045%	$ 1,445,000	$ 972,823	$ 2,417,823
2027	4.045%	1,500,000	914,372	2,414,372
2028	4.045%	1,560,000	853,697	2,413,697
2029	4.045%	1,625,000	790,595	2,415,595
2030	4.045%	1,690,000	724,864	2,414,864
2031	4.045%	1,760,000	656,504	2,416,504
2032	4.045%	1,830,000	585,312	2,415,312
2033	4.045%	1,905,000	511,288	2,416,288
2034	4.045%	1,980,000	434,231	2,414,231
2035	4.045%	2,060,000	354,140	2,414,140
2036	4.045%	2,145,000	270,813	2,415,813
2037	4.045%	2,230,000	184,048	2,414,048
2038	4.045%	2,320,000	93,844	2,413,844
TOTALS		**$ 24,050,000**	**$ 7,346,529**	**$ 31,396,529**

$7,994,660
CITY OF TALLAHASSEE, FLORIDA
Transportation Improvement Revenue Bond, Series 2019

Dated: May 10, 2019

Purpose
The Series 2019 Bond was issued to finance the purchase of electric buses and charging stations.

Security
The bond is secured by a covenant to budget and appropriate pledge to deposit Non-Ad Valorem Revenues sufficient to pay the principal and interest on the subject financing.

Bond Reserve
There are no debt service reserve fund requirements.

Form
$7,994,660 Serial Bond is fully registered and due May 1, 2028. The Bond is book-entry-only and is not evidenced by a physical bond certificate. The Bond was priced competitively and issued as a private placement, with Capital City Bank as the original purchaser. Interest is payable semi-annually on each November 1 and May 1, commencing November 1, 2019.

Agents

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Redemption
The Series 2019 Bond may be prepaid at the option of the City in whole, or in part, on any date, with three days prior written notice to the Owner by payment in an amount equal to the principal amount to be prepaid plus accrued interest to the prepayment date.

Events of Default
Upon the occurrence and during the continuation of any Event of Default, the Owner of the Bond may, in addition to any other remedy authorized in the Bond, may enforce and compel the Issuer to pay off the outstanding balance immediately.

$7,994,660 CITY OF TALLAHASSEE, FLORIDA TRANSPORTATION IMPROVEMENT REVENUE BOND, SERIES 2019				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	2.290%	$ 927,860	$ 65,215	$ 993,075
2027	2.290%	949,110	43,967	993,077
2028	2.290%	970,840	22,232	993,072
TOTALS		**$ 2,847,810**	**$ 131,414**	**$ 2,979,224**

ENERGY SYSTEM

The City's Energy System comprises the City of Tallahassee's award-winning Electric and Gas Utilities. The Electric Utility is a vertically integrated system that owns and operates electric generation, transmission, and distribution facilities, providing power to a diverse customer base in Leon County. The Gas Utility owns and operates a natural gas distribution system that provides firm and interruptible service in Leon County and the surrounding counties of Wakulla and Gadsden. Anchored by stable institutional customers and growing customer demand, the Utilities are managed with a strict focus on financial discipline, with the goal of maintaining strong AA-category bond ratings as part of the City's strategic plan.

The City Electric Utility has operated since 1902, with the first power plant operational in 1903. By the mid-20th century, the City began shifting operations away from the downtown, opening the Sam O. Purdom Station in 1952 in St. Marks, Florida, about 20 miles south of Tallahassee. In 1971, the Arvah B. Hopkins Station opened 7 miles west of downtown Tallahassee. Both have since been expanded and modernized to meet increasing demand.

The 1992 General Resolution created the Energy System, which consisted solely of the City's Electric System. The 1998 General Resolution allowed the City to add other utility functions to the Energy System. In 1999, pursuant to the provisions of the 1998 General Resolution, the City Commission approved the migration of the City's Gas System from the Consolidated Utility Systems (CUS) to create the Energy System.

Credit Description and Management Discussion

Electric and Gas Utility Mission

To enrich the quality of life in Tallahassee by providing quality energy services and being leaders in our organization, community, and industry.

Management and Key Positions

The Energy System is led by a veteran management team that provides stable leadership. The executive leadership team possesses deep institutional knowledge, with the General Manager and key division leads averaging over 17 years of tenure specifically serving the City of Tallahassee. This depth of experience ensures operational continuity and prudent long-term planning.

Manager	Position	Years of Experience	Years at the City
Tony Guillen	General Manager	30+	22
Stephen Mayfield	Assistant General Manager – Gas Operations	30+	26
Greg Ozbun	Assistant General Manager – Electric System Operations	30+	23
Michael Ohlsen	Assistant General Manager – Electric System Integrated Planning	30+	17
Karen Weaver	Assistant General Manager – Compliance	25+	15
Michael Crow	Assistant General Manager – Power Delivery	20+	3
Eric Walters	Assistant General Manager – Electric Supply	20+	1
Patrick Dooley	Electric & Gas Utility Chief Financial and Administration Manager	30+	27
David Ging	Manager – Energy Trading	30+	24

Energy System & the City of Tallahassee 2025-2029 Strategic Plan

The City of Tallahassee operates under the guidance of five-year strategic plan cycles. These goals and objectives directly reinforce the sound operational and financial management of the utilities, ensuring that political priorities align with credit fundamentals.

Bond Ratings & Financial Discipline (Target 3.3.7i): Maintaining best-in-class bond ratings is the Energy System's primary financial benchmark, driving adherence to strict debt-service coverage and liquidity policies. This target codifies the City's commitment to fiscal discipline, ensuring that investor security remains the paramount operational priority.

Rate Competitiveness (Target 4.1.1): Maintaining rates at or below the statewide average provides the Utility with significant pricing power and political capital. This affordability buffer protects the Utility's ability to adjust rates as necessary to cover costs without triggering customer attrition or regulatory pushback common in higher-cost jurisdictions.

Reliability & Asset Availability (Targets 4.1.5, 4.1.6, & 4.1.7): The Utility targets best-in-class system availability through a rigorous predictive maintenance program. Aggressive targets for outage response times drive investment in resilient field operations to minimize economic loss. Minimizing downtime not only protects the local economy but also maximizes energy sales volume by reducing unserved load during weather events.

Clean Energy Capacity & Hedging (Targets 4.1.8i & 4.2.1): Increasing the renewable energy portfolio and expanding generating capacity serves as a physical hedge against natural gas price volatility and future carbon regulations. This diversification strategy protects the Utility's operating margins from commodity shocks while aligning with long-term environmental compliance mandates.

Economic Growth & Diversification (Objective 1.2): By providing high-reliability power and competitive commercial rates, the Energy System catalyzes the expansion of the local commercial rate base. This strategic diversification reduces long-term revenue volatility and complements the financial stability provided by our foundational institutional customers.

Residential Development & Infrastructure (Objective 1.4): The Utility coordinates closely with city planners to ensure infrastructure readiness for new housing developments, facilitating rapid meter deployment and immediate revenue capture. This proactive capital planning ensures that system expansion keeps pace with organic population growth without compromising service quality or liquidity.

Electrification & Asset Utilization (Targets 1.1.5 & 4.2.2): The Utility actively promotes residential EV infrastructure and fleet electrification to drive beneficial load growth during off-peak hours. This initiative not only supports modern transportation but also improves the system's load factor, enhancing overall asset utilization and revenue efficiency.

Customer Satisfaction & Reputation (Target 4.12): High customer satisfaction scores directly correlate with stable collection rates and public support for necessary capital programs. By consistently exceeding customer expectations, the Utility mitigates reputational risk and secures the community buy-in required for long-term infrastructure investments.

Operations and Financial Review

Sales and Customer Base

The Electric Utility serves a balanced, growing load characterized by a diverse mix of residential and commercial demand. The Utility sees robust annual growth in total retail energy consumption. While residential customers account for the vast majority of service points, the commercial and industrial sector provides a stable consumption base, representing approximately half of sales. This healthy split protects the Utility from over-reliance on any single industry, as residential granularity balances commercial volume. While the reported customer count reflects a statistical adjustment due to the implementation of a new billing system in 2023, underlying demand remains strong.

Electric System - Sales to Ultimate Customers, by Class For Fiscal Years Ended September 30	2021	2022	2023	2024	2025
Residential					
Average Annual Customers	106,472	107,327	106,313	104,714	105,371
Energy Sales (MWh)	1,153,518	1,156,562	1,134,548	1,171,461	1,187,767
Average Annual Use Per Customer (kWh)	10,834	10,776	10,672	11,187	11,121
Average Annual Revenue per Customer	**$1,240**	**$1,308**	**$1,381**	**$1,509**	**$1,546**
Commercial and Industrial					
Average Annual Customers	15,171	15,333	14,802	14,633	14,596
Energy Sales (MWh)	1,401,780	1,435,189	1,479,143	1,545,497	1,571,534
Average Annual Use Per Customer (kWh)	92,398	93,601	99,928	105,617	107,666
Average Annual Revenue Per Customer	**$7,979**	**$8,617**	**$9,566**	**$10,340**	**$10,856**
Public Street Lighting					
Average Annual Customers	4,491	4,498	3,762	4,186	4,186
Energy Sales (MWh)	32,988	32,909	28,991	36,090	36,090
Average Annual Use Per Customer (kWh)	7,345	7,316	7,471	8,622	8,622
Average Annual Revenue per Customer	**$887**	**$940**	**$1,047**	**$1,166**	**$1,166**
Total Sales to Ultimate Customers					
Average Annual Customers	126,134	127,157	124,876	123,883	124,572
Energy Sales (MWh)	2,588,286	2,624,660	2,642,683	2,753,869	2,796,169
Average Annual Use Per Customer (kWh)	**20,520**	**20,641**	**21,162**	**22,230**	**22,446**
Off-System Sales					
Sales for Resale (MWh)	196,077	266,507	399,008	374,453	236,100
Total Sales (MWh)	**2,784,362**	**2,891,167**	**3,041,692**	**3,128,322**	**3,032,268**

The Gas Utility continues to see organic growth through aggressive sales efforts in new residential construction and conversions of existing homes to natural gas. From a credit perspective, the Gas Utility benefits from a highly stable and segmented load profile. Firm residential and commercial customers account for most of the total throughput, providing a reliable revenue baseline. A sophisticated portfolio of interruptible contracts with large institutional and industrial users complements this strategy. These interruptible agreements serve a dual purpose: they secure significant volume from stable institutional partners (including Florida State University and regional healthcare facilities) while providing the Utility with the operational flexibility to manage capacity constraints during peak winter events.

Gas System - Sales to Ultimate Customers, by Class For Fiscal Years Ended September 30	2021	2022	2023	2024	2025
Residential (firm)					
Average No. of Customers	31,554	32,409	32,927	30,680	30,573
Usage (MCF)	731,626	691,349	540,527	707,620	708,341
Average Sales Per Customer (MCF)	23	21	16	23	19
Non-residential (firm)					
Average No. of Customers	2,077	2,127	2,152	1,755	1,745
Usage (MCF)	928,378	930,332	883,942	975,390	1,027,725
Average Sales Per Customer (MCF)	445	437	411	556	589
Special Contract Interruptible					
Average No. of Customers	7	7	5	4	4
Usage (MCF)	1,005,658	981,234	992,333	1,043,102	1,236,896
Average Sales Per Customer (MCF)	143,665	140,176	198,466	260,776	309,224
Flexible Contract Interruptible					
Average No. of Customers	4	4	3	3	3
Usage (MCF)	182,916	184,608	160,500	168,283	170,624
Average Sales Per Customer (MCF)	45,729	46,152	53,500	56,094	56,875
Standard Interruptible					
Average No. of Customers	13	13	11	11	11
Usage (MCF)	157,486	124,312	117,532	201,851	128,587
Average Sales Per Customer (MCF)	12,114	9,562	10,685	18,350	11,690
Total Gas System					
Average No. of Customers	33,655	34,561	35,098	32,453	32,336
Usage (MCF)	3,006,064	2,911,835	2,802,940	3,096,246	3,160,683
Average Sales Per Customer (MCF)	89	84	80	95	98
Miles of Gas Lines	962	975	985	985	985
Heating Degree Days (HDD)	1,334	1,239	953	1,163	1,259

Gas System - Projected Sales Volumes in MCF* For Fiscal Years Ending September 30	**2026**	**2027**	**2028**	**2029**	**2030**
Residential	830,000	846,600	846,600	888,930	889,930
Commercial	1,000,000	1,020,000	1,020,000	1,071,000	1,071,000
Contract Interruptible	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Small Interruptible	170,000	170,000	170,000	170,000	170,000
Flexible Interruptible	200,000	200,000	200,000	200,000	200,000
Total	**3,200,000**	**3,236,600**	**3,236,600**	**3,329,930**	**3,329,930**

*Forecast prepared by the Gas System and reflects normalized weather.

*Figures reported in are million cubic feet (MCF).

*Data source: Monthly Utility Report HDD base 65 (Data source: NWS)

Operating Statistics & Power Supply

The City has a long-standing commitment to ensuring an efficient, reliable, and environmentally sustainable power supply. Based on historical decisions by the City Commission, the City's power supply portfolio is well-positioned to meet near-term resource requirements while providing an efficient, cost-effective, and environmentally responsible generation fleet. The highlight of the power supply portfolio is an electric generating fleet with a weighted average life of fewer than 18 years, with the oldest unit, Purdom Unit 8, entering commercial operation in 2000. The City's Demand Side Management (DSM) program also continues to minimize the amount of additional power supply resources needed to meet planning reserve margins. To that end, the City has committed significant financial resources to modernizing the power supply fleet. This has included:

- Construction of five Wartsila gas-fired reciprocating engine/generators at the Hopkins facility. Each of these units achieved commercial operation between January 2019 and April 2020.
- Construction of a distributed generation facility at the City's Substation 12 (BP12), located adjacent to Tallahassee Memorial Hospital. This substation is radially fed, and the addition of distributed generation enhances reliability for the customers it serves. While this additional capacity helps meet the City's long-term power supply needs, it was primarily intended for distribution reliability and storm hardening. Two Wartsila gas-fired reciprocating internal-combustion engines/generators have been installed for this project. These units went into commercial operation in October of 2018. This facility is equipped to provide black-start capability and to operate in island mode.
- The addition of Solar Farm 4, which achieved commercial operation in December 2019.
- Addition of Solar Farm 1, which achieved commercial operation in December 2017.
- Repowering Hopkins Unit 2 to a combined cycle generating unit in 2008 to gain significant fuel efficiency and continued reduction in permitted and actual emissions.
- The new reciprocating engine/generators added to BP12 and Hopkins provide the City with the following benefits:
- These engines are significantly more efficient than the units they replaced, resulting in fuel cost savings for our customers.
- These units can be started in 5 minutes to meet the system demand quickly, as opposed to Hopkins 1, which took about 10 hours to start.
- The CO2 emissions are much less from these units compared to the units that were replaced
- The addition of the quick start engines will allow for nimbler operations of the electric system that will support the current and plans for intermittent (solar and wind) power additions when they are cost-effective.

Electric System - General Statistics					
For Fiscal Years Ended September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Generating Capacity (MW) (Summer)	725	725	737	737	737
Capacity Purchases (MW) (Summer)	-	-	-	-	-
Net System Energy Generated (MWh)	2,767,933	2,867,593	3,024,269	3,056,438	3,032,268
Net Peak Demand (MW) Summer	573	590	616	616	616
Net Peak Demand (MW) Winter	504	538	574	574	574
Average Residential Monthly Bill ($)	$115	$126	$124	$123	$129
Number of Street Lights	19,926	20,073	20,135	20,200	21,591

Electric System - Summary of Projected Demand and Energy Requirements (MW)					
For Fiscal Years Ending September 30	**2026**	**2027**	**2028**	**2029**	**2030**
Annual 60-Minute Peak Demand[1]					
Summer (MW)	605	606	606	606	606
Winter (MW)	568	570	572	572	572
Annual Energy Sales (GWh)[2]	2,720	2,736	2,749	2,759	2,767
Sales to City Served Talquin Customers (GWh)	30	30	30	30	30
Purchases from Talquin (GWh)	3	3	3	3	3
Losses and Unaccounted for Energy (GWh)	111	112	117	112	112
Annual Energy System Requirements (GWh)	2,830	2,838	2,847	2,844	2,853
Annual System Load Factor[3]	53%	53%	54%	54%	54%

(1) Includes estimated reduction in seasonal peak demands associated with demand-side management (DSM) program and coincident demand of approximately 5 MW associated with sales to Talquin.

(2) Includes estimated reduction in sales associated with the DSM program.

(3) Equals Annual Energy Requirements divided by the product of peak demand multiplied by 8,760 hours.

As part of the City's commitment to environmental sustainability and a diverse power supply portfolio, the City has entered into Purchase Power Agreements (PPA) for two solar farms. The two PPA's are with FL Solar 1, LLC for Solar Farm 1 and FL Solar 4, LLC for Solar Farm. The terms of the PPA require the City to purchase 100% of the facility's output for 20 years under a predetermined pricing schedule. The City has two five-year renewal options that it can exercise at the end of the initial contract term. Starting in the ninth year of each PPA, the City has an annual right to acquire the facilities. The facilities are located on City-owned land at the Tallahassee International Airport. FL Solar 1, LLC and FL Solar 4, LLC each have 35-year land leases for the underlying land. To meet specific FAA requirements, the Electric Utility is responsible for compensating the airport with an annual lease payment. While the City is purchasing the energy, the respective lease payments will be made from Electric revenues. Should the PPA be terminated, the respective company will reimburse the Electric Utility for the annual lease payments while their facility remains on the site.

The City continually monitors regulatory, legislative, and industry trends that could affect the selection of future power supply resources. This includes regularly evaluating the current resource plan for risk exposure, primarily by analyzing sensitivity cases to determine whether the plan is sufficiently robust to remain stable (reliable service at the lowest cost) under variations in key assumptions. While several assumptions are routinely tested in the resource planning process (such as load growth and fuel prices), significant uncertainties remain that pose near-term risks to the City, including ongoing changes in environmental regulations and the evolving mandatory reliability standards framework.

The City remains committed to a robust Demand Side Management (DSM) program identified in a prior preferred resource plan and currently under review in a new DSM planning study to support the City's clean energy goals (discussed in the next section). Based on projected impacts from their DSM portfolio, the City's need for new capacity has been deferred. However, uncertainty remains about how responsive the City's customers will be to adopting additional DSM measures to achieve the capacity and energy savings identified in the portfolio. The Electric Utility continues to assess the risk exposure related to this DSM portfolio and to identify options the City could consider if the anticipated savings are not achieved as planned. In addition, the City continues to analyze the number, sizes, and expected duty cycles of the City's electric generating units (referred to as the "capacity mix"), inter-utility transmission capabilities, and other potential sources of risk to the City's economical and reliable electric service.

Capacity mix is an essential consideration in the City's planning process. To meet expected electric system requirements, the City currently assesses the adequacy of the total power supply capacity relative to a 17% load reserve margin criterion. However, the evaluation of the reserve margin is based solely on the electric system's annual peak demand and assumes that all power supply resources are available. Resource adequacy must also be evaluated during other times of the year to determine if the City is maintaining the appropriate amount and mix of power supply resources.

About two-thirds of the City's power supply comes from two generating units, Purdom Unit 8 and Hopkins Unit 2. The outage of either of these units can present operational challenges, especially when coupled with transmission limitations. For these reasons, the City continues to evaluate alternatives to its current load reserve margin supplement fleet criterion that may better balance resource adequacy and operational needs with utility and customer costs. The results of these evaluations suggested that the City's current load reserve margin supplemental criterion should be supplemented by a criterion that considers the number and sizes of power supply resources (unit size diversity) to ensure adequacy and reliability. Addressing this criterion led to the replacement generation project at Hopkins and the distributed generation project at BP12.

Unit	Commercial Operations Year	Unit Type	Fuel (primary/alternative)	Summer Output MW (95ºF)	Winter Output MW (29ºF)
Hopkins Unit 2	2008	7FA Combined Cycle	Natural Gas/Diesel	300	330
Hopkins CT3	2005	LM-6000 Simple Cycle Combustion	Natural Gas/Diesel	46	48
Hopkins CT4	2005	LM-6000 Simple Cycle Combustion	Natural Gas/Diesel	46	48
Hopkins IC1	2019	RICE	Natural Gas	18.6	18.6
Hopkins IC2	2019	RICE	Natural Gas	18.6	18.6
Hopkins IC3	2019	RICE	Natural Gas	18.6	18.6
Hopkins IC4	2019	RICE	Natural Gas	18.6	18.6
Hopkins IC5	2020	RICE	Natural Gas	18.6	18.6
Purdom Unit #8	2000	7FA Combined Cycle	Natural Gas/Diesel	238	265
BP12 1C1	2018	RICE	Natural Gas	9.3	9.3
BP12 1C2	2018	RICE	Natural Gas	9.3	9.3
Solar Farm 1	2017	Solar	Solar	20	20
Solar Farm 4	2019	Solar	Solar	42	42

Largest Energy System Customers

A distinct credit strength of the Utility is the recession-resistant nature of its largest commercial customers. Unlike typical municipalities reliant on volatile industrial factories or retail, the City's customer base is anchored by foundational public institutions, including the State of Florida government complex and two major universities (Florida State University and Florida A&M University). These institutional customers provide a consistent revenue floor that is largely insulated from broader economic downturns. Furthermore, the System secures long-term revenue stability through "Preferred Customer Electric Service Agreements" with its largest users, thereby ensuring predictable future load requirements.

Beyond revenue stability, the sovereign credit quality of these institutional customers effectively minimizes counterparty risk for a significant portion of the System's revenue stream. The State of Florida and the university systems maintain exceptional credit ratings, providing a layer of security for the Utility's cash flow that is rarely found in municipal systems with heavy private-sector industrial exposure. Moreover, these institutions serve as strategic partners in the City's Clean Energy Plan. Their independent commitments to sustainability, exemplified by campus fleet electrification and green building standards, align directly with the System's infrastructure investments. This synergy creates a built-in market for future renewable energy offerings and solar subscriptions, significantly reducing the risk of adoption for the City's long-term energy generation diversification projects.

Electric System Ten Largest Retail Customers				
Fiscal Year Ended September 30, 2025			**Percent of Total Retail Sales**	
Customers	**Revenue**	**kWh**	**Revenue**	**kWh**
Florida State University	$ 22,994,057	268,645	7.00%	9.27%
State of Florida	11,583,458	122,836	3.53%	4.37%
City of Tallahassee	8,669,938	73,450	2.64%	2.76%
Leon County School Board	5,876,882	42,415	1.79%	2.15%
Tallahassee Memorial Healthcare	5,503,939	63,341	1.68%	2.00%
Florida A&M University	4,842,290	56,020	1.47%	1.54%
Publix Markets	2,850,754	28,696	0.87%	1.07%
Amazon.com Services LLC	2,621,790	26,610	0.80%	1.06%
Wal-Mart Stores	2,440,204	26,542	0.74%	1.01%
United States Federal Government	2,236,091	21,324	0.68%	0.93%
TOTAL	**$ 69,619,405**	**729,880**	**21.19%**	**26.10%**

Gas System Five Largest Customers by Consumption				
Fiscal Year Ended September 30, 2025			**Percent of Total Retail Sales**	
Customers	**Revenue**	**Usage (Mcf)**	**Revenue**	**Gas Usage**
Florida State University	$ 3,828,983	580,802	10.87%	18.38%
Tallahassee Memorial Healthcare	1,738,270	196,644	4.94%	6.22%
General Dynamics Ordnance	1,463,829	290,268	4.16%	9.18%
Nopetro LLC	1,258,454	142,201	3.57%	4.50%
Florida A&M University	976,952	163,172	2.77%	5.16%
TOTAL	**$ 9,266,488**	**1,373,087**	**26.31%**	**43.44%**

Retail Rates and Competitiveness

Under existing Florida law, the City Commission has exclusive authority to set electric and gas rates. Rate level refers to the total amount of revenue to be recovered by the Energy System. The Florida Public Service Commission (FPSC) has jurisdiction over the City's electric and gas rate structure. The rate structure determines how total revenue requirements are allocated to and recovered from various rate charges.

To ensure long-term financial stability and align revenue with evolving operational costs, Section 21-241 of the Tallahassee Code of Ordinances mandates an automatic annual rate adjustment. Effective October 1 of each year, electric and gas base rates are indexed to the Consumer Price Index (CPI-U) for the 12-month period ending the preceding March 31. This mechanism serves as a critical financial hedge, preserving the utility's purchasing power and reducing the need for larger, ad hoc rate corrections, thereby providing price predictability for customers and revenue certainty for investors.

The City's current electric rates include a customer charge that varies by customer class, a demand charge (for large commercial customers), a non-fuel energy charge, and an Energy Cost Recovery Charge (ECRC). The City has had an optional residential time-of-use rate (known as Nights and Weekends) since April 2012. The City's current gas rates include a customer charge that varies by customer class, a non-fuel energy charge, and a Purchased Gas Recovery Charge (PGRC).

Electric and Gas rate revenues are composed of two categories: fuel recovery (ECRC & PGRC) and base rate revenues. The ECRC and PGRC are pass-through charges that recover the cost of fuel used in the City's power-generating facilities, the cost of wholesale power purchased from other utilities, and the gas purchased for the Gas Utility. The City reviews the actual over- or under-recovery of these costs monthly and, if required, modifies the FCRC/PGRC charge semi-annually. All other rates (referred to as base rates) are reviewed periodically to ensure rate levels are sufficient and the rate structure is equitable.

The City continues to emphasize managing fuel and purchased power costs, which are passed on to its customers through the ECRC. The City actively manages its fuel supply and energy supply portfolio to minimize the impact of natural gas price volatility. The City's residential rates remain competitive with the statewide average.

Electric Rates (effective 10/01/24)	
Residential	**Current[1]**
Customer Charge - Single Phase Service	$9.73
Customer Charge - Three Phase Service	$34.04
Energy Charge per kWh	$0.09
General Service Non - Demand	
Customer Charge - Single Phase Service	$13.21
Customer Charge - Three Phase Service	$48.51
Energy Charge per kWh	$.07118
General Service Demand	
Customer Charge	$91.06
Demand Charge per kW	$16.84
Energy Charge-The first 500 kWh per kW	$0.02874
Excess kWh per kW @	$0.00405
General Service Large Demand	
Customer Charge	$91.06
Demand Charge per kW	$16.84
Energy Charge-The first 500 kWh per kW	$0.02799
Excess kWh per kW @	$0.00405

(1) A fuel and purchased power charge is also applied to all kWh sold.

In the Spring of 1999, the City developed a tariff for long-term contracting with all demand-metered non-residential electric customers. The tariff, referred to as the "Preferred Customer Electric Service Agreement" (PCES), was approved by the City Commission on April 28, 1999, and by the FPSC on May 4, 1999. Under this Agreement, the customer receives rate discounts in return for a ten-year commitment to use the City as its electricity provider. The discount rates are 5% for the General Service Demand (GSD) class of non-residential accounts and 7% for the General Service Large Demand (GSLD) accounts.

With the addition of the City's first solar farm (FL Solar 1), the City offered its customers a solar subscription program in 2018. Under this program, customers may subscribe for all, or part of their energy needs to be supplied from the solar farm for 20 years. Customers will continue to pay the customer charge and the non-fuel energy charge. For solar subscribers, the ECRC reflects the levelized solar cost over 20 years for the energy at $0.05 per kWh. The City opened subscriptions in the Spring of 2020 for the second solar farm (FL Solar 4). As part of its commitment to the City's Clean Energy Plan, the City has enrolled all city occupied buildings in the subscription program.

Gas Rates (effective 10/01/24)	
Residential	**Current**[1]
Customer Charge (per month)	$12.23
Energy Charge (per 100 cubic feet)	$0.87245
Commercial	
Customer Charge (per month)	$21.87
Energy Charge (per 100 cubic feet)	$0.67991
Commercial Small Interruptible	
Customer Charge (per month)	$219.02
Energy Charge (per 100 cubic feet)	$0.31963
Commercial Interruptible	
Customer Charge (per month)	$328.52
Energy Charge (per 100 cubic feet)	$0.24662
Commercial Large Interruptible	
Customer Charge (per month)	$317.42
Energy Charge (per 100 cubic feet)	$0.11554

Wholesale Energy Services (Fuel Strategy)

Wholesale Energy Services' (WES) primary mission is to optimize the economic dispatch of the Electric Utility's generation resources, manage fuel supply for the City's Electric and Gas Utilities, and provide power marketing services for the Electric Utility. WES forecasts daily load requirements for the City's Electric and Gas Utilities, schedules generation resources, and purchases natural gas to meet both the Electric and Gas Utilities' needs economically and reliably. WES leverages the City's generation resources to generate revenue by buying and selling power in the short- and long-term wholesale markets. These activities help deliver the lowest-cost power reliably to the City's utility customers.

WES takes advantage of the City's municipal tax-exempt status through "prepay" natural gas supply agreements. This enables the City to secure discounted gas supplies through joint participation in prepayment agreements. The discounts are generated by leveraging the value between tax-exempt and taxable bonds without putting any funds directly at risk. The City currently has eight active prepay agreements identified by counterparty, term, volume, discount, and estimated savings as follows:

- Tennessee Energy Acquisition Corporation (TEAC)/Goldman, August 2006 – July 2026, 3,300 MMBtu/day, $0.45 discount, $542k/year, $10.8 million over the term;
- TEAC/Goldman, April 2018 – March 2053, 6,000 MMBtu/day, $0.28 discount, $613k/year, $18.4 million over the term;
- Blackbelt/Goldman, November 2018 – October 2048, 12,000 MMBtu/day, $0.40 discount, $1.75 million/year $52 million savings over the term;
- TEAC/Goldman, April 2022 – March 2052, 8,000 MMBtu/day, $0.38 discount, $1.1 million/year, $33 million over the term;
- Municipal Gas Authority of Georgia (MGAG)/Citadel – July 2022 – June 2052, 3,000 MMBtu/day, $0.54 discount, $592k/year, $17.7 over the term;

- Municipal Gas Authority of Georgia (MGAG)/Citibank – August 2022 – July 2052, 5000 MMBtu/day, $0.30 discount, $547k/year, $16.4 over the term;
- Southeast Energy Authority (SEA)/Morgan Stanley – December 2022 – November 2052. 5000 MMBtu/day, $0.32 discount, $584l/year, $17.5 over the term. This agreement was approved on January 18, 2023; and
- Southeast Energy Authority (SEA)/J Aron – July 2023 – December 2053, 6,000 MMBtu/day, $0.52 discount, 1.1 million/year, $40 million over the term.

The sum of the City's existing prepay savings is estimated to exceed $190 million over the full terms of the various prepay agreements. The prepay contract volumes represent approximately 67% of the gas supply for the Electric and Gas Utilities in 2024 and taper off to 48% in 2048 and 0% after 2054. Management will continue to evaluate the need for additional prepay volumes in conjunction with the Clean Energy Plan and long-term system planning objectives.

WES markets and trades natural gas and pipeline capacity in the wholesale market to reduce the cost of pipeline capacity and generate revenues if market conditions allow. Short-term supplies of natural gas are purchased in the physical market and long-term supplies are hedged with financial contracts through the Chicago Mercantile Exchange (CME) and the Over the Counter (OTC) market using International Swap Dealers Association (ISDA) agreements. These instruments help stabilize the City's budget and protect its customers from volatile price movements.

The City Commission established the Energy Risk Policy Committee (ERPC) for policy development and oversight of the City's fuel purchases and hedging program. The ERPC is comprised of the City's appointed officials and executive staff from the City's Utility, Financial, and Administrative units. The City Commission has approved up to $30 million from the Electric Operating Reserve for CME related financial trades beyond the current fiscal year. All trading is consistent with the approved policy, pre-established market risk tolerances, and the City's budgetary and utility rate objectives. Financial contracts using ISDA agreements to purchase natural gas are individually negotiated with each counterparty. Credit thresholds are based on the individual company's credit risk profile and established in consultation with the City's risk management consultant.

The City's hedging program proved extremely valuable during FY 2022 & FY 2023. Natural gas prices increased significantly throughout FY 2022 due to a strong rebound in the post-COVID-19 economy, inflationary pressures and above-average usage due to weather. The market price for natural gas averaged $6.54/MMBtu for the full year, but the City only paid $2.62MMBtu for 80% of our gas supplies due to hedging. Fiscal Year 2022 gas supplies were hedged during March 2020 when gas prices were at their lowest point in several years due to the economic impact of COVID-19. As a result of the hedges, the City's electric and gas utility customers saved over $75 million on their utility bills during FY 2022. The City saved another 15 million in FY 2023 from below market hedges. After a sustained drop in natural gas prices throughout 2023, the City fully hedged FY 2025 to maintain future rate stability. We expect to add additional hedges for FY 2026 and beyond if prices meet our target values.

The City's Energy Risk Management Program monitors and reports the market-based financial risks of the organization regularly. The program mainly focuses on the market and credit risks associated with the City's electric energy production and wholesale business activities. The Energy Risk Management Policies and Procedures were revised in 2019 to update processes and streamline procedures. Under this program, WES adheres to approved policy by operating under the following guidelines:

- Transactions obligating the City to liquidated damages are not offered;
- Non-performance liability for the City is limited to transaction revenue margins;
- Long-term firm transactions are coordinated and reviewed by the City Manager, Electric and Gas Utility and the ERPC; and

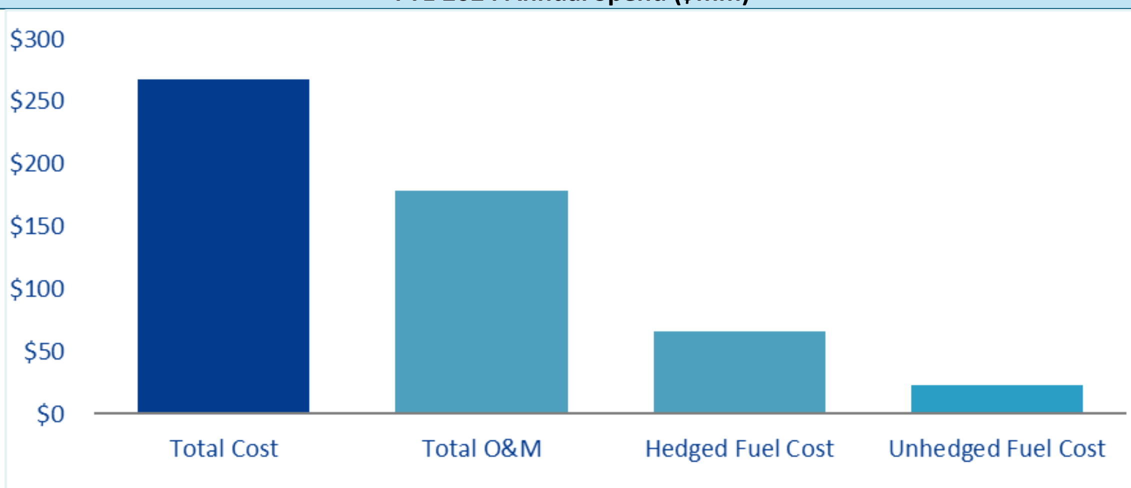
- Wholesale market trading partners' credit worthiness determinations, including trade limits, are performed by the City's independent consultant continuously.

Per the City's Energy Risk Policies and Procedures, WES procures natural gas supplies from numerous producers and other market participants for physical delivery to the City via long-term transportation agreements with Florida Gas Transmission of Southern Natural Gas. WES purchases diesel fuel to provide backup for the Electric Utility's generating units if natural gas or pipeline capacity is constrained.

Putting Risk in Context

- Commodities can be volatile, and we take proactive steps to ensure stability.
- Operating expenses has remained consistent over the past 10 years over many commodity environments.
- Key Mitigants:
  - Hedging Program: 75% of natural gas volumes hedged through FYE 2025
  - Liquidity: Utility currently has $278mm of available liquidity
  - Rates: ECRC is proven

FYE 2024 Annual Spend ($mm)



Capital Improvement Program (CIP)

The City, as part of its annual budget process, adopts a Five-Year Capital Improvement Program for the Electric and Gas Utility. The first year of this program is an appropriation, and the remaining four years constitute a planning document that estimates capital expenditures and identifies the related funding sources. For FY 2026, the Electric approved additions were $59.1 million with a five-year plan totaling $261.9 million, while the Gas approved additions were $5.7 million with a five-year plan totaling $26.1 million.

The City has no current plans to issue new energy systems debt in the next few years. Both the Electric and Gas utilities are cash-funding their capital programs and exploring any funding opportunities from the Inflation Reduction Act and/or Bipartisan Infrastructure Law. The following are some major capital projects:

- Electric and Gas utility system expansions to support customer demands;
- Downtown Secondary Network System – South Network Vault Modernization Project;
- BP9 Mobile Substation Connection Project;
- Tram Road/Woodville Highway Relocation;
- Capital Circle SW Transmission Line Relocation;
- Demolition of HP1 Cooling Tower, HP1 Stack, and Fuel Oil Tank 4;
- LM6000 HM1 Replacement;
- New Utilities Warehouse;
- SCADA System Modifications and upgrades;
- Clean Energy Plan and Solar Capacity Expansion; and
- Public Electric Vehicle Charging Station Pilot Project

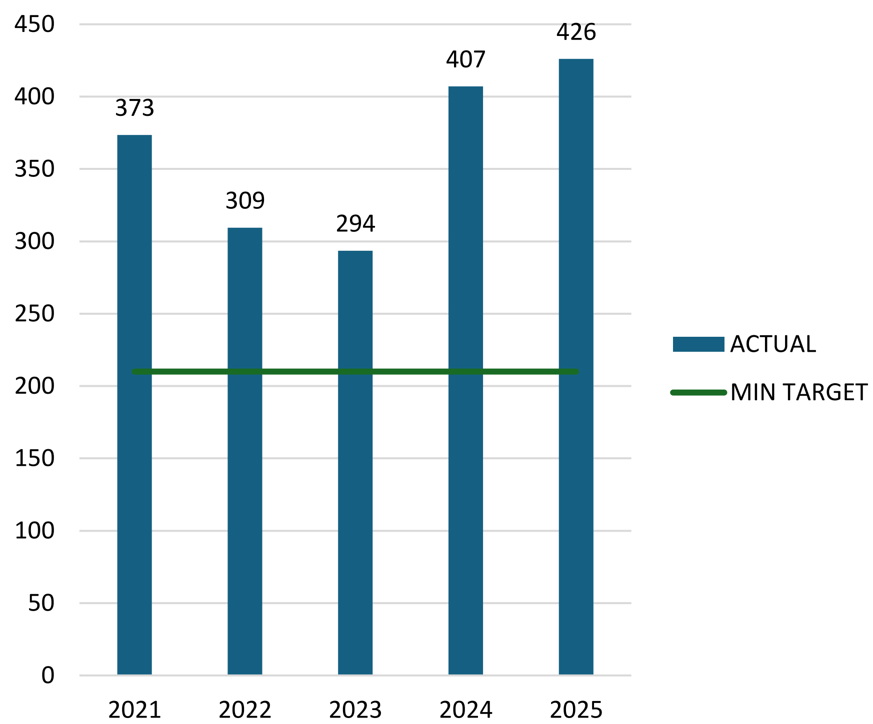
Energy System Debt Service Coverage (000's of dollars)					
Fiscal Year Ended September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Electric Operating Revenues					
Retail Sales	$246,319	$289,094	$280,400	$291,359	$338,168
Sales for Resale	7,514	14,584	15,883	11,710	10,948
Other Operating Revenues	17,692	18,558	18,115	13,227	13,940
Transfers (to) from	-	-	-	-	-
Total Electric Operating Revenue	271,526	322,236	314,398	316,296	363,056
Electric Operating Expenses					
Fuel	107,507	107,486	91,914	77,952	109,019
Purchased Power	5,832	6,159	5,556	5,506	8,669
Other	99,851	99,546	113,533	128,563	118,645
Total Electric Operating Expenses	173,561	213,191	211,003	212,021	236,333
Net Electric Revenues	97,964	109,024	103,395	104,275	126,723
Non-Operating Revenues:					
Other Income & Deductions	2,603	800	4,475	7,638	9,721
Total Net Electric Revenues	100,567	109,824	107,870	111,913	136,444
Gas Operating Revenues					
Total Gas Operating Revenues	27,032	31,084	31,479	31,225	37,142
Gas Operating Expenses	19,001	22,102	20,870	20,589	25,939
Net Gas Revenues	8,031	8,982	10,609	10,636	11,203
Non-Operating Revenues	141	42	245	495	724
Total Net Gas Revenues	8,172	9,024	10,854	11,131	11,927
Total Available for Debt Service	**$108,739**	**$118,848**	**$118,724**	**$123,044**	**148,370**
Existing Debt Service	$45,275	$45,078	$44,584	$46,603	$42,851
Coverage	**2.41x**	**2.64x**	**2.66x**	**2.64x**	**3.46x**

Electric System - Selected Operating Costs and Ratios					
For Fiscal Years Ended September 30	**2021**	**2022**	**2023**	**2024**	**2025**
Revenue per kWh					
Residential Customers	$0.11	$0.12	$0.13	$0.14	$0.14
Commercial and Industrial Customers	0.086	0.092	0.096	0.098	0.101
Public Street Lighting	0.121	0.129	0.140	0.135	0.135
Expenses Per kWh					
Total Operating Expense per kWh	0.082	0.073	0.086	0.086	0.085
Financial Ratios					
Debt to Total Assets	0.546	0.509	0.498	0.462	0.423
Operating Ratio	0.838	0.871	0.829	0.852	0.797
Current Ratio	4.656	5.324	4.662	5.360	4.510

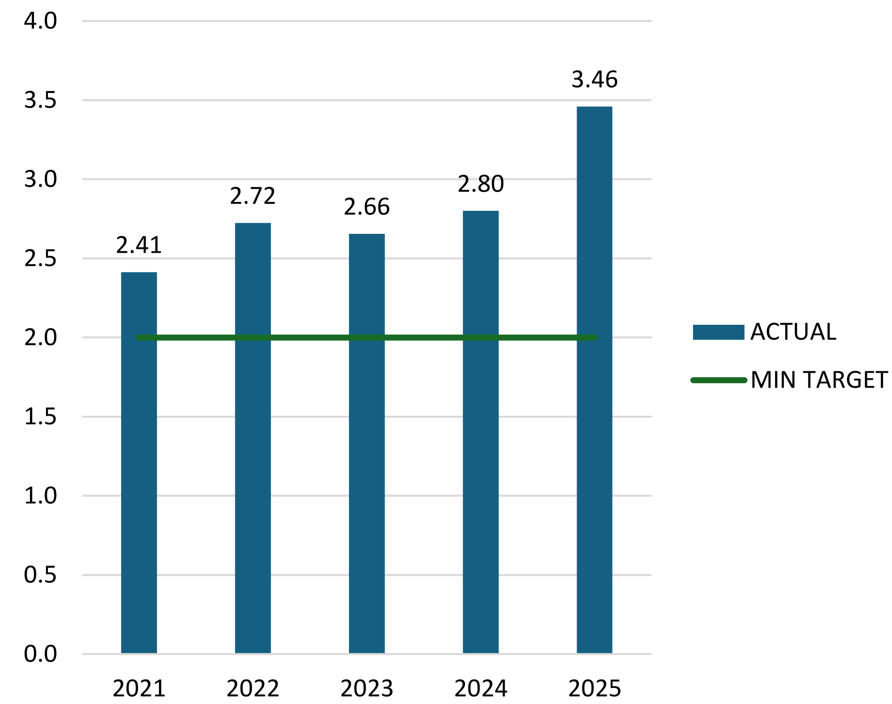
Energy System Debt Management Metrics

The City's Debt Management Policy (Policy 238) sets forth standards for the issuance and management of City debt. Energy System Metrics continue to fully comply with policy guidelines. The Energy System does not have any outstanding debt issued beyond 2042. The following three charts provide the five-year history for the metrics:

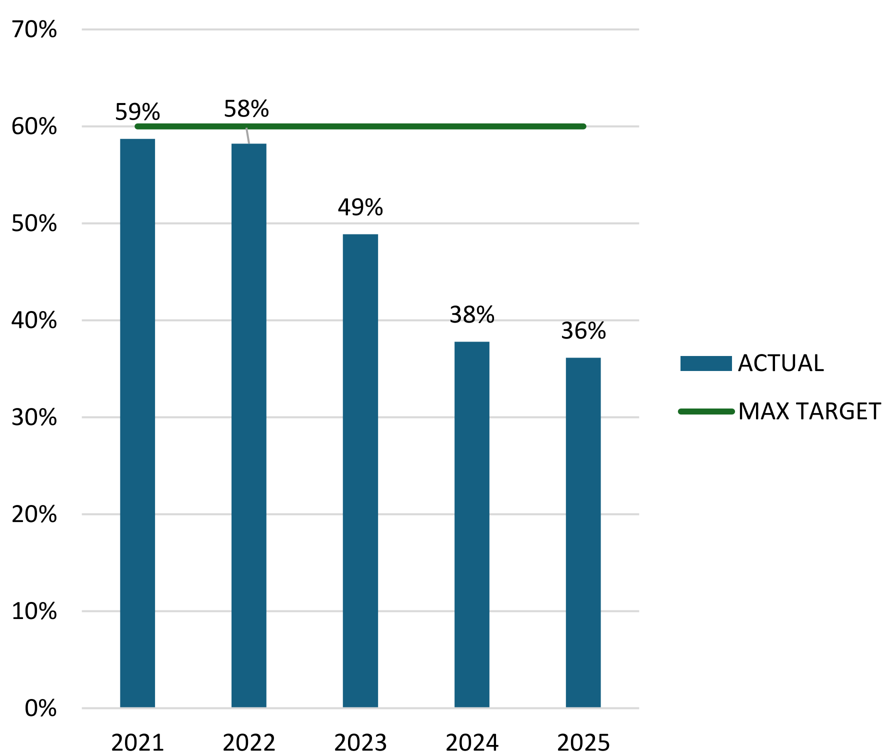
ENERGY SYSTEM DAYS CASH ON HAND



ENERGY SYSTEM DEBT SERVICE COVERAGE



ENERGY SYSTEM DEBT BURDEN



ENERGY SYSTEM CITY OF TALLAHASSEE, FLORIDA CONSOLIDATED DEBT SERVICE					
Bond Year Ending October 1	**Total**	**$108,545,000 Series 2025**	**$199,190,000 Series 2024**	**$59,790,000 Series 2023**	**$80,195,000 Series 2020**
2026	$42,140,221	$10,812,250	$11,821,500	$7,876,471	$11,630,000
2027	42,137,232	10,798,000	11,837,250	7,884,482	11,617,500
2028	42,141,230	10,851,000	11,852,500	7,877,230	11,560,500
2029	42,139,242	13,437,250	20,822,000	7,879,992	-
2030	42,139,352	11,869,250	22,392,750	7,877,352	-
2031	42,138,811	15,432,500	18,822,000	7,884,311	-
2032	37,990,203	16,658,250	16,306,500	5,025,453	-
2033	37,989,250	16,983,500	21,005,750	-	-
2034	34,067,750	16,758,750	17,309,000	-	-
2035	34,067,250	8,529,000	25,538,250	-	-
2036	34,068,000	7,633,250	26,434,750	-	-
2037	26,936,750	6,058,500	20,878,250	-	-
2038	20,881,750	-	20,881,750	-	-
2039	20,878,500	-	20,878,500	-	-
2040	20,881,750	-	20,881,750	-	-
2041	7,144,000	-	7,144,000	-	-
2042	7,140,000	-	7,140,000	-	-
TOTALS	**$534,881,289**	**$145,821,500**	**$301,946,500**	**$52,305,289**	**$34,808,000**

ENERGY SYSTEM CITY OF TALLAHASSEE, FLORIDA CONSOLIDATED DEBT SERVICE - PRINCIPAL OUTSTANDING					
Bond Year Ending October 1	**Total**	**$108,545,000 Series 2025**	**$199,190,000 Series 2024**	**$59,790,000 Series 2023**	**$80,195,000 Series 2020**
2026	$23,890,000	$5,385,000	$1,885,000	$6,570,000	$10,050,000
2027	24,935,000	5,640,000	1,995,000	6,760,000	10,540,000
2028	26,035,000	5,975,000	2,110,000	6,940,000	11,010,000
2029	27,180,000	8,860,000	11,185,000	7,135,000	-
2030	28,380,000	7,735,000	13,315,000	7,330,000	-
2031	29,635,000	11,685,000	10,410,000	7,540,000	-
2032	26,800,000	13,495,000	8,415,000	4,890,000	-
2033	28,030,000	14,495,000	13,535,000	-	-
2034	25,510,000	14,995,000	10,515,000	-	-
2035	26,785,000	7,515,000	19,270,000	-	-
2036	28,125,000	6,995,000	21,130,000	-	-
2037	22,400,000	5,770,000	16,630,000	-	-
2038	17,465,000	-	17,465,000	-	-
2039	18,335,000	-	18,335,000	-	-
2040	19,255,000	-	19,255,000	-	-
2041	6,480,000	-	6,480,000	-	-
2042	6,800,000	-	6,800,000	-	-
TOTALS	**$386,040,000**	**$108,545,000**	**$198,730,000**	**$47,165,000**	**$31,600,000**

$108,545,000
CITY OF TALLAHASSEE, FLORIDA
Energy System Refunding Revenue Bonds, Series 2025

Dated: July 21, 2025

Purpose
The Series 2025 Bonds were issued to refund the City's Energy System Revenue Bonds, Series 2017.

Security
The Series 2025 Bonds are payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Energy System on a parity with the Energy System Refunding Revenue Bonds, Series 2024, the Energy System Refunding Revenue Bond, Series 2023, and the Energy System Refunding Revenue Bonds, Series 2020.

Bond Reserve
There are no debt service reserve fund requirements.

Form
The Series 2025 Bonds, all fully registered, due October 1, 2037. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing October 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	Aa3
Standard & Poor's:	AA

Optional Redemption
The Series 2025 Bonds maturing on or prior to October 1, 2035 are not subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after October 1, 2036 are subject to redemption prior to maturity on October 1, 2035 or on any date thereafter, at the option of the City, as a whole or in part at any time (by lot if less than all of a maturity) at the redemption price of 100% of the principal amount thereof, without premium, (plus accrued interest to the redemption date on the principal amount, if any).

$108,545,000 CITY OF TALLAHASSEE, FLORIDA ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2025				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$5,385,000	$5,427,250	$10,812,250
2027	5.000%	5,640,000	5,158,000	10,798,000
2028	5.000%	5,975,000	4,876,000	10,851,000
2029	5.000%	8,860,000	4,577,250	13,437,250
2030	5.000%	7,735,000	4,134,250	11,869,250
2031	5.000%	11,685,000	3,747,500	15,432,500
2032	5.000%	13,495,000	3,163,250	16,658,250
2033	5.000%	14,495,000	2,488,500	16,983,500
2034	5.000%	14,995,000	1,763,750	16,758,750
2035	5.000%	7,515,000	1,014,000	8,529,000
2036	5.000%	6,995,000	638,250	7,633,250
2037	5.000%	5,770,000	288,500	6,058,500
TOTALS		**$108,545,000**	**$37,276,500**	**$145,821,500**

$199,190,000
CITY OF TALLAHASSEE, FLORIDA
Energy System Refunding Revenue Bonds, Series 2024

Dated: July 30, 2024

Purpose

The Series 2024 Bonds were issued to refund the City's Energy System Revenue Bonds, Series 2010B (Federally Taxable – Build America Bonds), and the City's Energy System Revenue Bonds, Series 2018.

Security

The Series 2024 Bonds are payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Energy System on a parity with the Energy System Refunding Revenue Bond, Series 2023, the Energy System Refunding Revenue Bonds, Series 2020, and the Energy System Refunding Revenue Bonds, Series 2017.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The Series 2024 Bonds, all fully registered, due October 1, 2042. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	Aa3
Standard & Poor's:	AA

Optional Redemption

The Series 2024 Bonds maturing on or prior to October 1, 2034 are not subject to redemption prior to maturity. The Series 2024 Bonds maturing on or after October 1, 2035 are subject to redemption prior to maturity on October 1, 2034 or on any date thereafter, at the option of the City, as a whole or in part at any time (by lot if less than all of a maturity) at the redemption price of 100% of the principal amount thereof, without premium, (plus accrued interest to the redemption date on the principal amount, if any

$199,190,000 CITY OF TALLAHASSEE, FLORIDA ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2024				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$ 1,885,000	$ 9,936,500	$ 11,821,500
2027	5.000%	1,995,000	9,842,250	11,837,250
2028	5.000%	2,110,000	9,742,500	11,852,500
2029	5.000%	11,184,000	9,637,000	20,822,000
2030	5.000%	13,315,000	9,077,750	22,392,750
2031	5.000%	10,410,000	8,412,000	18,822,000
2032	5.000%	8,415,000	7,891,500	16,306,500
2033	5.000%	13,535,000	7,470,750	21,005,750
2034	5.000%	10,515,000	6,794,000	17,309,000
2035	5.000%	19,270,000	6,268,250	25,538,250
2036	5.000%	21,130,000	5,304,750	26,434,750
2037	5.000%	16,630,000	4,248,250	20,878,250
2038	5.000%	17,465,000	3,416,750	20,881,750
2039	5.000%	18,335,000	2,543,500	20,878,250
2040	5.000%	19,255,000	1,626,750	20,881,750
2041	5.000%	6,480,000	664,000	7,144,000
2042	5.000%	6,800,000	340,000	7,140,000
TOTALS		**$ 198,730,000**	**$ 103,216,500**	**$ 301,946,500**

$59,790,000
CITY OF TALLAHASSEE, FLORIDA
Energy System Refunding Revenue Bond, Series 2023

Dated: October 1, 2023

Purpose

The Series 2023 Bond was issued in exchange for and in order to refinance the Energy System Refunding Revenue Bond, Series 2022.

The Series 2022 Bond was issued on a taxable basis in a principal amount of $59,790,000. The Series 2023 Bond was issued at a tax-exempt fixed rate of interest for nine years.

Security

The Series 2023 Bond is payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Energy System on a parity with the Energy System Refunding Revenue Bonds, Series 2024, the Energy System Refunding Revenue Bonds, Series 2020, and the Energy System Refunding Revenue Bonds, Series 2017.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2023 Series Bond is fully registered and due October 1, 2032. The Series 2023 Bond is evidenced by a physical certificate. The Series 2023 Bond was priced competitively and issued as a private placement, with Truist as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2024.

Agents

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	NR
Fitch:	NR
Standard & Poor's:	NR

Optional Prepayment

The Series 2023 Bond is subject to prepayment at the option of the Issuer, in whole on any business day at the prepayment price set forth in the resolution and with two business days prior written notice to the registered owner

$59,790,000 CITY OF TALLAHASSEE, FLORIDA ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2023				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	2.77%	$ 6,570,000	$ 1,306,471	$ 7,876,471
2027	2.77%	6,760,000	1,124,482	7,884,482
2028	2.77%	6,940,000	937,230	7,877,230
2029	2.77%	7,135,000	744,992	7,879,992
2030	2.77%	7,330,000	547,352	7,877,352
2031	2.77%	7,540,000	344,311	7,884,311
2032	2.77%	4,890,000	135,453	5,025,453
TOTALS		**$ 47,165,000**	**$ 5,140,291**	**$ 52,305,289**

$80,195,000
CITY OF TALLAHASSEE, FLORIDA
Energy System Refunding Revenue Bonds, Series 2020

Dated: August 6, 2020

Purpose

The Series 2020 Bonds were issued to refund on a current basis the City's outstanding Energy System Refunding Revenue Bonds, Series 2010, the City's outstanding Energy System Refunding Revenue Bonds, Series 2010A, and the City's outstanding Energy System Revenue Bonds, Series 2010C.

The Series 2010 Bonds and the Series 2010A Bonds were issued to refinance outstanding debt obligations issued in 1998. The Series 2010C Bonds were issued to finance the acquisition and construction of certain capital improvements to the City's Energy System as well as to refinance some outstanding Sunshine State Loans.

Security

The Series 2020 Bonds are payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Energy System on a parity with the Energy System Refunding Revenue Bonds, Series 2024, the Energy System Refunding Revenue Bonds, Series 2023, and the Energy System Refunding Revenue Bonds, Series 2017.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2020 Series Bonds, all fully registered, due October 1, 2028. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2021.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Moody's:	Aa3
Standard & Poor's:	AA
Fitch:	AA-

Optional Redemption

The Series 2020 Bonds are not subject to optional redemption prior to maturity.

$80,195,000 CITY OF TALLAHASSEE, FLORIDA ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$ 10,050,000	$ 1,580,000	$ 11,630,000
2027	5.000%	10,540,000	1,077,500	11,617,500
2028	5.000%	11,010,000	550,500	11,560,500
TOTALS		**$ 31,600,000**	**$ 3,208,000**	**$ 34,808,000**

Regulatory, System Outlook, and Future Developments

Clean Energy Plan

In 2019, the City Commission adopted a Clean Energy Resolution recognizing the City's historical focus on the environment and sustainability and setting new goals to move the City and community to 100% net clean, renewable energy by 2050. This would include all segments of energy use in the City and community, including electricity, natural gas, and transportation. The resolution included interim goals for City operations that include transition of all City facilities to 100% renewable energy by 2035 as well as conversion of the City's mainline buses and light duty vehicles to 100% electric by 2035. The resolution directed the City to develop a Community Clean Energy Plan with broad public input and consideration for technological, operational, and regulatory aspects of the electric system as well as financial impacts. In August 2023, City staff presented the Clean Energy Plan (CEP) to the City Commission, which was unanimously accepted. The plan set seven broad goals, establishing interim targets through 2030 for renewable energy, energy efficiency, and clean transportation. These goals outline 85 action items that provide direction for staff and serve as a roadmap for City operations and community activities. Since 2020, the following CEP activities occurred:

- The City enrolled all of its occupied buildings under the City's solar subscription program for SF4, making Tallahassee the first of 33 public power utilities in Florida to power 100% of its City buildings with solar energy.
- The City continued to invest in energy efficiency upgrades across its facilities in 2025. Improvements included LED lighting upgrades at 30 City buildings, enhancements to building automation systems at ten facilities, and HVAC upgrades at 10 municipal buildings, including the installation of ice-storage technology at City Hall.
- Through its community demand-side management programs, the City provided financial incentives and technical assistance to help customers reduce energy use. Customer participation remained strong in 2025, including:
  - More than 1,250 ENERGY STAR appliance rebates, totaling over $125,000
  - 152 ENERGY STAR certified new home rebates, totaling over $265,000
  - 242 energy efficiency grants, totaling over $95,000
  - 126 commercial energy audits
  - Over 3,300 residential energy audits
  - 220 residential energy loans, totaling more than $2.0 million
- In late 2025, the City issued a Request for Proposals (RFP) for utility-scale solar generation paired with battery energy storage systems to be interconnected to the City's electric system. Projects are being evaluated on their ability to strengthen system reliability and resilience as well as maintain affordability. The RFP process is expected to wrap up in mid-2026.
- Meanwhile, the City is awaiting guidance from the U.S. Department of Energy (DOE) to advance a $28.7 million grant supporting the deployment of a utility-scale battery energy storage system to enhance grid reliability.
- Across the community, the number of customer-owned solar installations has grown to over 1,430 rooftop solar systems with a combined capacity of over 13 MWdc.
- The City was authorized to install up to four public electric vehicle charging stations throughout Tallahassee as a pilot project. These stations will feature Level III DC Fast Chargers and will be owned and operated by the City. The City broke ground on the first station in 2025, which is expected to be online in early 2026. The next two locations are expected to go live later in 2026 as well. Separately,

the City maintains 9 Level II chargers available for public use and another 28 Level II chargers for City vehicles.

- Since 2023, the Federal Transit Administration awarded the City with nearly $40 million in competitive grant funding to fortify its public transportation system. The City recently expanded its StarMetro bus fleet with eight new electric buses (four 40-foot and four 35-foot) funded through competitive grant funding. Additionally, for the third consecutive year, Tallahassee was selected for a $8.8 million grant award under the FY25 Low or No Emission Grant Program, with a local match of $1.55 million provided through StarMetro's operating budget and other sources. Altogether, StarMetro operates 32 electric vehicles, making up 35% of its fleet, a portion of which serves Florida State University, making this fleet the first all-electric campus bus system in the nation.
- The City fleet has grown to over 150 light-duty electric vehicles, along with another 280 hybrid electric vehicles, representing just over 40% towards the City's 2035 electrification goal.

The Energy System is uniquely positioned to meet these clean energy milestones while maintaining its best-in-class municipal bond ratings. The System will consider opportunities to incrementally expand solar capacity, storage infrastructure, or other clean energy generation over the coming decades without necessarily obligating new debt issuance. By employing Power Purchase Agreements (PPAs) and other innovative financial instruments, the City can scale its renewable portfolio while remaining strictly within the debt-to-capital and liquidity targets established in its policies and simultaneously diversifying its generation fleet. This forward-looking capital planning assures that the pledge to a 100% net clean energy future reinforces, rather than compromises, the System's long-term credit fundamentals and investor security.

City Electric Transmission System

The City's existing transmission system includes approximately 224 circuit miles of transmission lines operated at voltages of 115kV and 230kV. The City has a transmission network that forms 115kV and 230kV loops that extend around and through the City limits. The Electric System has substations at 28 locations: one each at the Hopkins and Purdom stations; 21 bulk power substations; three 230 kV transmission substations; and two 12.47kV distribution step-down substations. At the 21 bulk power substations, the power is transformed from the transmission voltage of 115/230kV to the distribution network voltage of 12.47kV. The transmission, distribution, and generation facilities are monitored and controlled remotely from the City's Electric Control Center utilizing a Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS).

The City is interconnected with Duke Energy Florida ("Duke") at five locations on its system (four ties and one load) and with The Southern Company ("Southern") and its operating affiliates at one location. The City continues to evaluate its transmission system to maintain grid reliability and ensure compliance with North American Electric Reliability Corporation (NERC) standards. Due to NERC requirements, Purdom Plant's capacity is marginally limited under some transmission outage scenarios.

The City's projected transmission import capability continues to affect the need for future additions to the power supply resource. The City's internal transmission studies have reflected a gradual deterioration of the system's transmission import (and export) capability into the future, due in part to the lack of investment in the regional transmission system by neighboring utilities around Tallahassee as well as the impact of increasing unscheduled power flow-through on the City's transmission system as new PV Generation facilities come online outside of the TAL Transmission System. The City is working with its neighboring utilities, Duke and Southern, to plan and maintain, at minimum, sufficient transmission import and export capability to allow the City to make emergency power purchase and sales in the event of the most severe single contingency (the loss of the system's largest generating unit) or to alleviate operation constraints such as minimum generation load levels.

The prospects for significant expansion of the regional transmission system around Tallahassee hinge on the City's ongoing discussions with Duke and Southern, and now Florida Power and Light (FPL) and FPL West, as they have constructed a new transmission line between the two companies. The FPL-FPL West line may provide improved opportunities, as it will require a review of all transmission pathways in the North Florida area, including its effects on the Florida-Southern Interface. The City also continues to work within the Florida Reliability Coordinating Council's (FRCC) regional transmission planning process, and the evolving set of mandatory reliability standards issued by NERC. It is unclear at this time if any of these opportunities will produce substantive improvements to the City's transmission import/export capability in the short term. Given the City's limited transmission import capacity, recent power supply resource studies indicate that local generation alternatives are the preferred means to meet future requirements.

Regulatory

The City's Electric and Gas Utility is subject to various regulatory laws and requirements, including, among other things, environmental, safety, and reliability, by a variety of entities at the federal, state, and local levels. These laws and requirements can substantially increase the City's system costs by requiring alterations to the equipment or mode of operation of existing and proposed facilities. Due to the constantly changing nature of these regulations, there is no assurance that the City's facilities will remain subject to the rules currently in effect, will always comply with future regulations, or will always be able to obtain or maintain all required permits. Failure to comply with regulatory standards or deadlines could result in fines or legal action and affect the utility's operations. This section summarizes the significant regulatory and environmental issues facing the Electric and Gas Utility, but is not intended to describe every regulatory requirement the Utility must comply with.

Environmental

The City maintains a proactive environmental management program, including internal audits and open communication with regulatory agencies. All current power-generation permits are in good standing.

Air Regulations:

- Acid Rain Program: The City currently holds sufficient allowances for sulfur dioxide and nitrogen oxides, several proposed federal rules may necessitate future capital investment:
- Greenhouse Gas Regulations: EPA has proposed to repeal "all greenhouse gas emissions standards for fossil fuel-fired power plants." If promulgated, the repeal would not impose any additional requirements to address carbon dioxide emissions and carbon capture and sequestration for new construction of combustion turbines. Additionally, EPA has proposed a repeal of GHG reporting requirements for 46 industrial sectors, including the power generation sector. Once promulgated the city would continue to report GHG emissions through other reports but would not need to report via the Electronic Greenhouse Gas Reporting Tool, resulting in a slight reduction in the reporting burden for the city utilities.

Operational Risk & Safety Management:

- Risk Management Program (RMP) Revisions: On February 13, 2026, EPA announced the Common Sense Approach to Chemical Accident Prevention rule, the proposed revisions would seek to avoid duplicative requirements, realigning RMP requirements with Occupational Safety and Health Administration (OSHA) Process Safety Management (PSM) requirements, and eliminate unnecessary burdens placed on facilities. Hopkins is subject to the RMP rule and maintains compliance with the facility by participating in third-party audits and enhanced emergency exercises.

- Facility Response Plans (FRP) and Spill Prevention, Control and Countermeasures (SPCC) Plans: Hopkins and Purdom are subject to federal oil spill prevention and response regulations due to the volume of oil stored on site and each facility's proximity to navigable waters. Both facilities remain in compliance.

Water Quality & Waste Management:

- NPDES Permitting: The City is in full compliance with National Pollutant Discharge Elimination System permits. Permit renewals for Purdom (expires 2027) and Hopkins (expires 2028) will be initiated in a timely manner to ensure operational stability for the next five-year cycle.

Legacy Issues & Remediation:

- Historical Leaks: The 2012 release from Hopkins' Diesel Fuel Oil Tank A-11 reached regulatory closure in 2018 via a Declaration of Restrictive Covenants. Engineering controls remain in place and properly maintained.

Florida Public Service Commission Gas Regulations

The Gas Utility is subject to regulation by the Florida Public Service Commission (FPSC) concerning safety and operational aspects of its operations. Annually, the FPSC performs a complete operational and safety audit of the Gas Utility. During 2025, for the sixteenth consecutive year, the FPSC audit had no findings. This is a significant milestone for the Gas Utility.

North American Electric Reliability Corporation (NERC) Standards

The North American Electric Reliability Corporation (NERC), in its role as the FERC-certified Electric Reliability Organization (ERO), has adopted Operations & Planning (O&P) and Cyber & Physical Security Standards applicable to the City's Electric utility operations. The initial standards became effective in June 2007 and continue to evolve. FERC has approved NERC's compliance and monitoring programs and authorized NERC to use Regional Entities to conduct these activities. NERC and its applicable Regional Entity may require corrective measures and levy financial penalties of up to $1,000,000 per day per violation. Historically, the City's Electric Utility has fallen under the Florida Regional Coordinating Council (FRCC) Regional Entity for the compliance and monitoring of these requirements. In 2019, the FRCC Regional Entity was dissolved, and the City's compliance and monitoring was moved under the SERC region. As a "Balancing Authority" and "Transmission Operator", the City is subject to on-site compliance audits every three years for both Operations/Planning and Cyber Security Standards separately. Spot checks can be performed in the off years. The City is also subject to annual certifications and can self-report violations. For any audit findings or self-reports, there are three potential outcomes: 1) the issue can be deemed to be minor and addressed under NERC's "Find-Fix-and-Track" program, which results in no sanctions or fines; 2) be declared a Compliance Exception by NERC, which results in no sanctions or fines, or 3) be found as a violation with associated penalties to include fine or sanctions.

The City has a robust internal compliance program concerning the NERC standards. This program includes a dedicated Electric System Compliance Division that oversees CIP standards. As a result of these audits and the pre-work, the City was not subject to any formal violations that resulted in fines or sanctions. In 2024, the City underwent its second round of audits under the SERC region. The O&P audit was closed with one finding for documentation errors, denoting the ratings of certain facilities. The City continues to work with SERC to complete the mitigation work for this requirement. The CIP audit yielded no non-compliance findings.

Electric and Gas Awards

In 2024, the Electric and Gas Utility participated in the 2024 FMEA Florida Lineman Rodeo competition hosted by the JEA. This is an annual event where utilities from around the state showcase their skills in a series of events developed to test their knowledge and physical abilities in the industry. The City finished the weekend strong by taking home 2nd and 3rd place in the overall Journeyman team competition. In addition to the overall awards, the City won multiple individual Journeyman events and had several apprentices with strong individual performances.

In 2022, 2023, and 2024, the Electric and Gas Utility received multiple commendations from the American Public Power Association and the Florida Municipal Electric Association for providing mutual aid support to other Public Power communities to quickly restore power and repair damage to their systems caused by severe weather. In 2024, the Electric Utility Power Delivery team was dispatched to multiple Public Power and Cooperative communities in Florida and Louisiana.

In 2021, the City of Tallahassee was awarded APPA's most prestigious award, the E.F. Scattergood Award. The City previously received this honor in 2012. This national designation recognizes the top public utility in the country for demonstrated sustained achievement, commitment to clean energy, and customer service to its community. The City also earned the 2021 Award of Continued Excellence (ACE) from APPA's Demonstration of Energy & Efficiency Developments (DEED) program. This award recognizes the continued commitment to the DEED program and its ideals, including support for research, development, and demonstration; improving efficiency; renewable resources; and public power. In prior years, the City has been awarded the 2012 APPA DEED Energy Innovator Award, recognized as a "Most Livable City in America" by the U.S. Conference of Mayors in 2011 for the Neighborhood REACH program, and received the 2014 APPA DEED Energy Innovator Award for the Double Rebates Program.

In 2019, the City's Gas Utility was recognized with the American Public Gas Association (APGA) Public Gas Achievement Award. This is the highest recognition APGA awards to a deserving public gas system among over 1,000 systems. The recognition underscores the City's exemplary performance and substantial contributions to the community and the gas industry.

In 2020 and again in 2023, the American Public Gas Association (APGA) recognized the Gas Utility with the Gold-level System Operational Achievement Recognition (SOAR). SOAR recognizes public gas utilities for best practices. Tallahassee's Gas Utility has been recognized at the Gold level in every cycle since the SOAR program was developed and is the only public gas utility to achieve this. In FY2024, the American Public Gas Association recognized the utility with two awards: The Community Service Award and the Excellence in Environmental Stewardship Award. The Community Service Award recognizes the Utility for its community involvement and outreach. The Excellence in Environmental Stewardship Award recognizes the Utility for its environmental stewardship efforts. These awards epitomize the Utility's efforts to be a leader in its community and industry.

In 2019, 2021, and again in 2023, the American Public Power Association (APPA) recognized the City's Electric Utility with the Smart Energy Provider designation. This recognition is given to public power communities that demonstrate leading practices in four key disciplines: smart energy program structure, energy efficiency and distributed energy programs, environmental and sustainability initiatives, and customer experience. In 2024, APPA recognized the City's Electric Utility with the prestigious Reliable Public Power Provider (RP3) Platinum level for demonstrated excellence in reliability, safety, workforce development, and system improvement.

CONSOLIDATED UTILITY SYSTEMS

Credit Description And Management Discussion

The City of Tallahassee's Consolidated Utility Systems (the "Systems") include the Water System, Wastewater System, and Stormwater Management System, whose combined resources, by Resolution of the City Commission, are pooled to meet bond covenant requirements and whose efforts are carefully coordinated to support long-range capital and financial planning. The Systems are led by a single General Manager who oversees the Underground Utilities & Public Infrastructure (UUPI) Department, providing consolidated leadership and support for engineering, operations, asset management, utility finance, regulatory compliance, and capital delivery. In addition to the Systems, the General Manager, through UUPI, also oversees the City's broader public infrastructure functions, including streets, sidewalks, traffic engineering and operations, and the City's Real Estate operations.

The service area encompasses a diverse and resilient customer base including state government facilities, three institutions of higher education (including two major public universities), regional hospitals, commercial and industrial customers, and a broad residential population. Combined with modest but steady customer growth, this diversity contributes to stable revenues and long-term financial resilience.

Rate Structure and Financial Governance

The Systems' financial stability is supported by a structured and predictable rate framework. Pursuant to City ordinance, water and wastewater rates automatically adjust each October 1 based on the positive annual change in the Consumer Price Index (CPI). Stormwater fees are similarly adjusted as authorized by Resolution of the City Commission. This predictable treatment of rate and fee adjustments helps offset inflationary pressures.

Financial stewardship is reinforced by:

- periodic independent rate studies validating rate sufficiency and long-range revenue adequacy;
- rate-making authority retained by the City Commission, and a demonstrated history of supported rate change recommendations;
- robust Renewal, Replacement, and Improvement (RR&I) Funds dedicated to reinvestment in infrastructure needs;
- strong operating liquidity and consistent compliance with the City Commission's comprehensive Debt Management Policy, which establishes stringent debt ratio and metric requirements;
- conservative reserve and financial management policies;
- multi-year financial modeling aligned with capital planning.

Capital Planning Framework

Long-range planning is guided by the Water Master Plan, Wastewater Master Plan, and Wastewater Treatment Master Plan. These documents define system needs across a 20-year planning horizon and guide:

- environmental and regulatory compliance requirements;
- renewal and replacement priorities;
- expansion of services to accommodate community growth;
- long-term wastewater treatment and plant capacity improvements;
- risk-based asset management programs.

The City's five-year Capital Improvements Program (CIP), updated annually, incorporates these master planning priorities into a structured investment sequence emphasizing:

- water distribution and well facilities renewal;
- sewer collection rehabilitation and enhancements;
- Advanced Wastewater Treatment (AWT) process improvements;
- stormwater drainage system renewal and water quality treatment;
- cybersecurity, SCADA modernization, and operational technology improvements;
- system resilience and energy efficiency initiatives.

Regulatory Compliance Overview

The Systems operate within a comprehensive regulatory framework:

- Northwest Florida Water Management District (NWFWMD) Consumptive Use Permit for groundwater withdrawals;
- Florida Department of Environmental Protection wastewater treatment and reuse permits for the Thomas P. Smith (TPS) Advanced Wastewater Treatment facility;
- National Pollutant Discharge Elimination System (NPDES) MS4 stormwater permit;
- compliance with Numeric Nutrient Criteria (NNC) and Total Maximum Daily Loads (TMDLs);
- implementation requirements under the Florida Statewide Stormwater Rule;
- ISO 14001 environmental and ISO 45001 occupational safety certifications.

The City remains in good standing with all regulatory agencies.

The Systems also fund the City's water quality laboratory, which reports to the Director of the City's Environmental Services Department and is responsible for testing and monitoring the City's Water and Wastewater Systems in accordance with Section 403.850, Florida Statutes.

Management Discussion

Management anticipates stable customer growth, moderate consumption trends, and sustained cost pressures associated with labor, utilities, supply pricing, technology investments, and regulatory mandates. Continued adherence to master planning, asset management, and rate sufficiency practices supports a stable financial outlook. Capital investments will continue to prioritize renewal, resilience, water quality, and modernization across all systems.

Operations And Financial Review

Operations of the Consolidated Utility Systems are guided by regulatory compliance, reliability, and long-term asset stewardship. The following discussion highlights the operational priorities and management practices that support consistent service delivery and financial stability.

Water System Operations

The Water System withdraws groundwater from the Floridan Aquifer and distributes potable water through wells, elevated storage tanks, transmission mains, and distribution piping. Groundwater withdrawals are regulated under a Consumptive Use Permit issued by the Northwest Florida Water Management District, and the City remains in compliance with all permit conditions applicable to the Water System.

Primary operational priorities:

- compliance with the NWFWMD Consumptive Use Permit;
- well protection and aquifer stewardship;
- redundancy in production and transmission systems;
- SCADA-enabled monitoring for system performance and emergency response;
- replacement of aging distribution mains, valves, and service connections, including smart meters;
- maintenance of elevated tanks and pumping equipment.

The Water Master Plan supports long-range planning for system growth, supply reliability, system hydraulics, water quality, fire protection, and asset renewal.

Wastewater System Operations

The Wastewater System consists of gravity sewers, force mains, and pump stations conveying wastewater to the Thomas P. Smith Water Reclamation Facility (TPS), which is permitted as an Advanced Wastewater Treatment (AWT) facility – among the first in Florida to achieve this level of treatment. Wastewater operations emphasize system reliability, environmental protection, and compliance with advanced treatment standards.

Key operational drivers:

- CCTV and sonar inspection and condition scoring of gravity sewer mains;
- inflow/infiltration reduction strategies;
- pump station renewal (mechanical, electrical, structural);
- high-level nutrient removal at TPS;
- beneficial reuse through land application systems;
- Class AA biosolids production supporting sustainable reuse.

These operational practices are supported by long-range master planning that coordinates capacity, treatment process modernization, and regulatory compliance.

Stormwater Management System Operations

The Stormwater Management System includes drainage inlets, pipes, open channels, stormwater ponds, and treatment structures and is operated under the City's NPDES MS4 permit. Stormwater operations focus on maintaining system functionality, achievement of water quality standards, and reducing flood risk in accordance with federal and state regulatory requirements.

Key responsibilities include:

- inspection and maintenance of stormwater conveyances;
- pollutant load reduction and water quality treatment;
- compliance with Numeric Nutrient Criteria (NNC), applicable Total Maximum Daily Loads (TMDLs), and annual inspection mandates established under state and federal water quality regulations;
- erosion and sedimentation control;
- City-owned stormwater pond maintenance and restoration;
- planning for resilience related to extreme rainfall and flooding.

Capital planning and maintenance activities are prioritized based on system condition, regulatory mandates, and evolving resilience considerations.

Rates, Revenue Conditions, and Cost Drivers

Operating results are supported by CPI-indexed rates, stable customer counts, and predictable consumption patterns. Cost pressures reflect:

- labor and workforce development;
- chemical and material procurement;
- electrical demand at wells, pump stations, and TPS;
- regulatory compliance including monitoring and reporting;
- SCADA modernization, cybersecurity, and other technological improvements.

These cost drivers inform both annual budgeting and the City's multi-year capital planning process. In accordance with adopted City policy, the City may authorize limited rebates of system development charges in connection with certain development activities. Such rebates, when provided, are subject to established caps and conditions and are not expected to materially affect the financial performance of the Consolidated Utility Systems.

Rate Structure and Current Adopted Rates

Rates shown below reflect adopted base charges applicable to standard residential customers. Tiered or customer-specific rates are established by ordinance and are not presented here.

Water and Wastewater Base Rates (FY 2025 Adopted)
(Rates in effect October 1, 2024 through September 30, 2025)

Service	Rate Component	Description	Adopted Rate
Water	Base Charge (monthly)	Includes service availability and a defined volume of usage	$16.78
Water	Volume Charge	Applies to usage in excess of base allowance (per 1,000 gallons)*	$2.49
Wastewater	Base Charge (monthly)	Includes service availability	$24.67
Wastewater	Volume Charge	Usage charge per 1,000 gallons per month	$7.89

** Up to 5,000 gallons*

Capital Improvements Program (CIP)

The CIP is updated annually and informed by system modeling, master planning, regulatory mandates, and risk-based condition assessments.

Major CIP categories include:

- water main renewals and well improvements;
- gravity and force main rehabilitation programs;
- pump station upgrades and standardization;
- treatment system mechanical/electrical renewals;
- stormwater ponds and conveyance improvements;
- operational technology and cybersecurity modernization;
- resilience and system hardening initiatives.

Consistent with the maturity and scale of the Systems, this approach responds to regulatory mandates, prioritizes renewal and replacement, and accommodates growth while supporting improvements that enhance operational efficiency and system resiliency.

Water and wastewater consumption is presented in thousand gallons (kgals), consistent with rate-setting and industry reporting conventions. Prior years reported consumption in hundred gallons (cgals). System capacity and production trends are summarized in the following section.

Financial, Operating, And System Data

Operating Revenue and Expenses Water and Sewer (in thousands)

	Revenue			Expense			
FY	Water	Sewer	Total	Water	Sewer	Total	Net
2021	39,816	64,876	104,692	27,728	42,965	70,693	33,999
2022	42,690	70,644	113,334	28,932	41,702	70,634	42,700
2023	46,766	77,316	124,082	32,205	47,939	80,144	43,938
2024	46,143	82,264	128,407	30,399	52,024	82,423	45,984
2025	49,175	86,286	135,461	36,891	51,433	88,324	47,137

Stormwater and Other Revenues (in thousands)

FY	Stormwater Revenue	Other Revenue	System Development Charges
2021	$20,865	$500	$2,043
2022	20,756	192	2,454
2023	23,864	1,154	1,600
2024	24,135	3,023	1,559
2025	21,006*	2,808	1,554

** Reflects a one-time adjustment associated with the removal of uncollectible accounts that are no longer billed. This adjustment had a temporary impact and is not indicative of a change in rates, billing practices, or recurring revenue trends.*

Calculation of Net Revenues Available for Debt Service (in thousands)			
FY	Net Operating Revenue (Water & Sewer)	Pledged Non-Operating Revenues*	Net Revenues Available for Debt Service
2021	$33,999	$23,408	$57,407
2022	42,700	23,402	66,102
2023	43,938	26,618	70,556
2024	45,984	28,717	74,701
2025	47,137	25,368	72,505

** Includes Stormwater Revenues, Other Revenues, and System Development Charges.*

Debt Service Coverage (In thousands)			
FY	Net Revenues Available for Debt Service	Annual Debt Service	Coverage Ratio
2021	$57,407	$25,922	2.21×
2022	66,102	25,400	2.60×
2023	70,556	25,773	2.74×
2024	68,646	28,798	2.38×
2025	72,551	28,327	2.56x

Water Service Points and Consumption (in thousands of gallons unless noted)					
Residential	**2021**	**2022**	**2023**	**2024**	**2025**
Avg. Number of Service Points	78,579	78,830	76,461	78,048	77,842
Residential Consumption	4,761,462	4,594,530	4,816,335	5,069,063	5,023,644
Avg. Consumption/Service Point*	60,595	58,284	62,991	64,948	64,536
Commercial					
Avg. Number of Service Points	9,312	9,353	9,024	9,249	9,215
Commercial Consumption	3,953,073	4,162,151	4,812,389	5,235,484	5,348,801
Avg. Consumption/Service Point*	424,514	445,007	533,288	566,059	580,445
Total Service Points⁺	87,891	88,183	85,485	87,178	87,057
Total Consumption	8,714,535	8,756,681	9,628,724	10,304,548	10,372,445

** Expressed in average gallons consumed per service point.*

⁺ Service point counts are used for trend analysis as a stable measure of system scale. A single customer may be associated with multiple service points.

Ten Largest Water Customers by Consumption (Consumption in thousands of gallons)				
Rank	**Customer**	**Consumption**	**Billed Amount ($)**	**Revenue Percentage**
1	Florida State University	406,041	1,284,869	2.89%
2	City of Tallahassee	237,593	809,298	1.82%
3	State of Florida	193,652	629,214	1.41%
4	Florida A&M University	161,476	474,524	1.07%
5	Tallahassee Memorial Healthcare	153,140	553,271	1.24%
6	Leon County School Board	126,625	382,335	0.86%
7	Federal Government	100,539	293,890	0.66%
8	Leon County	75,750	252,935	0.57%
9	FPA REIT Holdings VIII LLC	48,959	238,133	0.53%
10	AHPC LLC	40,918	139,540	0.31%

**Percentage is calculated as each customer's annual billed charges divided by total annual Water System operating revenues (charges for services). Percentages may not total due to rounding.*

Water System Infrastructure and Production					
Metric	**2021**	**2022**	**2023**	**2024**	**2025**
Number of Production Wells	27	27	27	27	27
Number of Elevated Storage Tanks	8	8	8	8	8
Number of Fire Hydrants	7,151	7,258	7,258	7,437	7,579
Miles of Water Mains	1,231	1,237	1,245	1,247	1,255
Water Production Capacity (MGD)	79.4	79.4	79.4	79.4	79.4
Daily Average Consumption (MGD)	26	25	25	27	28

Wastewater Service Points (FY 2021–2025)					
Metric	**2021**	**2022**	**2023**	**2024**	**2025**
Residential Service Points	68,849	69,089	64,503	66,343	65,876
Commercial Service Points	6,891	6,838	6,703	6,504	6,394
Total Service Points	**75,740**	**75,927**	**71,206**	**72,846**	**72,270**

Ten Largest Wastewater Customers by Consumption (flows in thousands of gallons)				
Rank	Customer	Flow	Billed Amount ($)	Revenue Percentage
1	Florida State University	215,829	2,167,338	2.68%
2	Florida A&M University	100,739	1,071,342	1.32%
3	Tallahassee Memorial Healthcare	93,397	825,702	1.02%
4	Federal Government	87,080	791,287	0.98%
5	State of Florida	86,603	1,032,413	1.28%
6	Leon County School Board	64,927	734,065	0.91%
7	FPA REIT Holdings VIII LLC	45,455	505,123	0.62%
8	City of Tallahassee	43,152	567,632	0.70%
9	Leon County Board of Comm.	40,342	496,856	0.61%
10	AHPC LLC	37,058	316,966	0.39%

**Percentage is calculated as each customer's annual billed charges divided by total annual Wastewater System operating revenues (charges for services). Percentages may not total due to rounding.*

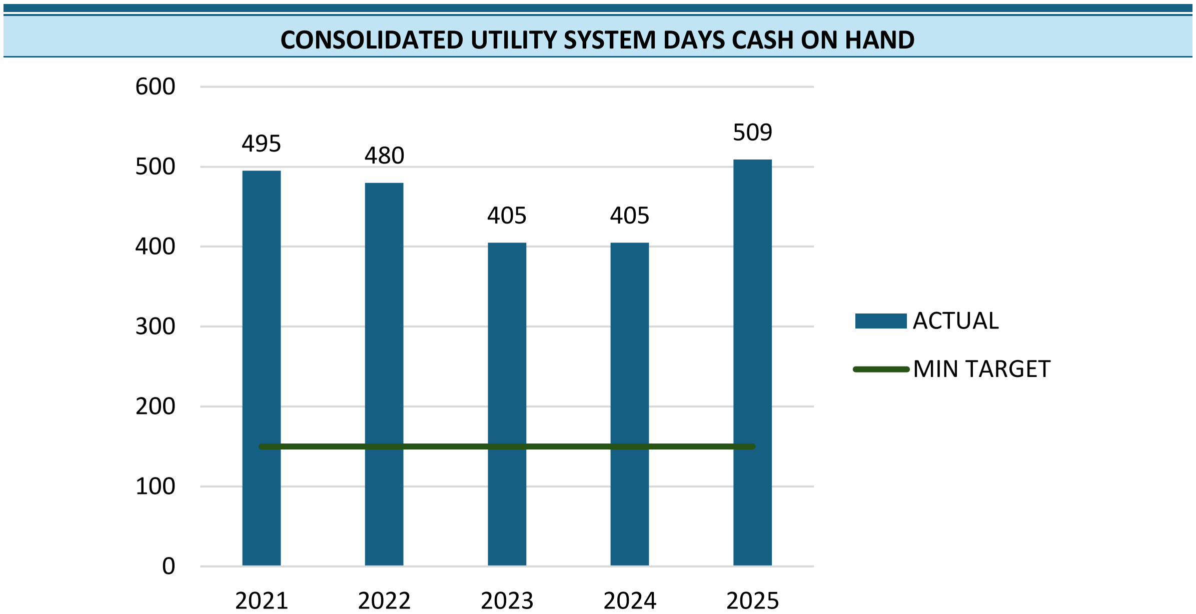
Wastewater System Infrastructure Statistics					
Metric	2021	2022	2023	2024	2025
Miles of Gravity Sewer Mains	929	934	940	942	954
Miles of Force Mains	143	143	143	144	147
Total Miles of Wastewater Mains	1,072	1,077	1,083	1,086	1,101
Number of Pump Stations	113	112	112	116	120
Annual Flow – Millions of Gallons	6,447	6,283	6,413	6,934	6,575
Daily Average Treatment (MGD)	17.67	17.21	17.57	18.99	18.01

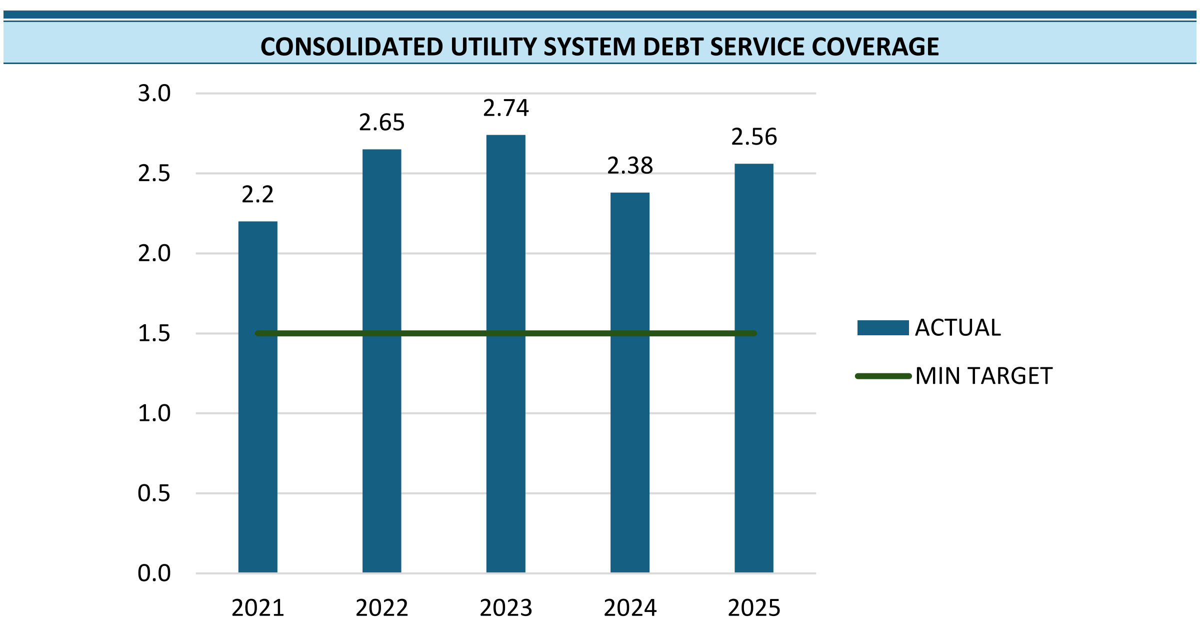
Stormwater System Infrastructure					
Metric	2021	2022	2023	2024	2025
Stormwater Service Points	96,940	97,525	92,929	95,490	96,480
Number of Stormwater Facilities	434	434	434	450	450
Miles of Enclosed Storm Drains	433	440	440	448	453
Miles of Roadside Ditches	228	228	228	228	228
Miles of Minor/Medium Outfalls Ditches	57	58	58	58	58
Miles of Major Outfalls Ditches	23	23	23	24	24

**As of FY 2025, the Stormwater Management System included approximately 30,145 drainage structures. This figure is presented as a point-in-time inventory count and is not tracked on a year-over-year basis.*

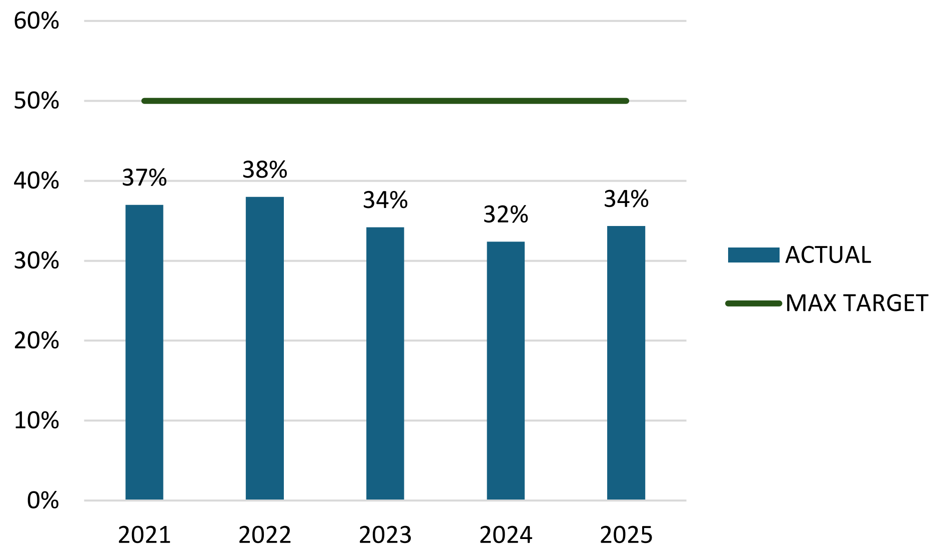
Consolidated Utility Systems Debt Management Metrics

The City's Debt Management Policy #238 sets forth standards for the issuance and management of City debt. Consolidated Utility Systems Metrics continue to fully comply with policy guidelines. The following three charts provide the five-year history for the metrics:





CONSOLIDATED UTITLITY SYSTEM DEBT BURDEN



Outstanding Bond Issues And Debt Service

The Consolidated Utility Systems' outstanding debt consists of parity revenue bonds issued pursuant to the City's General Resolution. All new bond issuances are secured on a parity basis with existing Consolidated Utility Systems revenue bonds by a pledge of net revenues of the Water and Wastewater Systems and gross revenues of the Stormwater Management System. Debt service schedules and principal outstanding information reflect all parity obligations outstanding as of the end of the fiscal year.

CONSOLIDATED UTILITY SYSTEMS
CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED DEBT SERVICE

Bond Year Ending October 1	Total	$96,825,000 Series 2025	$180,995,000 Series 2024A	$44,660,000 Series 2024	$34,720,000 Series 2023	$14,875,000 Series 2020
2026	$29,576,103	$5,320,700	$13,354,750	$3,990,000	$3,960,153	$2,950,500
2027	29,204,396	4,953,200	16,308,750	3,987,750	3,954,696	-
2028	29,729,732	5,478,200	16,243,750	3,991,000	4,016,782	-
2029	30,228,339	5,976,950	16,187,750	3,984,250	4,079,389	-
2030	30,859,072	6,604,450	16,119,500	3,987,750	4,147,372	-
2031	31,917,892	7,667,950	17,908,750	3,985,750	2,355,442	-
2032	31,911,159	7,663,950	17,801,750	3,988,250	2,457,209	-
2033	31,919,801	7,667,950	17,692,750	3,989,750	2,569,351	-
2034	31,911,386	7,664,200	17,575,750	3,990,000	2,681,436	-
2035	31,919,769	7,667,700	17,475,000	3,988,750	2,788,319	-
2036	31,916,950	7,662,700	20,268,500	3,985,750	-	-
2037	31,915,200	7,664,200	20,265,250	3,985,750	-	-
2038	31,916,200	7,666,450	20,266,500	3,983,250	-	-
2039	31,306,950	3,413,950	26,565,000	1,328,000	-	-
2040	8,599,950	3,413,950	3,858,750	1,327,250	-	-
2041	7,258,450	5,928,950	-	1,329,500	-	-
2042	7,262,700	5,933,200	-	1,329,500	-	-
2043	7,258,200	5,930,950	-	1,327,250	-	-
2044	7,259,950	5,932,200	-	1,327,750	-	-
2045	7,262,200	5,931,450	-	1,330,750	-	-
2046	7,259,450	5,928,450	-	1,331,000	-	-
2047	7,258,425	5,929,925	-	1,328,500	-	-
2048	7,260,725	5,932,475	-	1,328,250	-	-
2049	7,260,575	7,260,575	-	-	-	-
2050	7,259,138	7,259,138	-	-	-	-
2051	7,258,788	7,258,788	-	-	-	-
2052	7,258,738	7,258,738	-	-	-	-
2053	7,258,200	7,258,200	-	-	-	-
2054	7,261,388	7,261,388	-	-	-	-
2055	7,262,250	7,262,250	-	-	-	-
TOTALS	**$553,732,073**	**$194,753,175**	**$257,892,500**	**$65,125,750**	**$33,010,148**	**$2,950,500**

CONSOLIDATED UTILITY SYSTEMS
CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED DEBT SERVICE - PRINCIPAL OUTSTANDING

Bond Year Ending October 1	Total	$96,825,000 Series 2025	$180,995,000 Series 2024A	$44,660,000 Series 2024	$34,720,000 Series 2023	$14,875,000 Series 2020
2026	$12,655,000	$350,000	$4,520,000	$1,845,000	$3,130,000	$2,810,000
2027	12,850,000	-	7,700,000	1,935,000	3,215,000	-
2028	13,950,000	525,000	8,020,000	2,035,000	3,370,000	-
2029	15,075,000	1,050,000	8,365,000	2,130,000	3,530,000	-
2030	16,385,000	1,730,000	8,715,000	2,240,000	3,700,000	-
2031	18,185,000	2,880,000	10,940,000	2,350,000	2,015,000	-
2032	19,045,000	3,020,000	11,380,000	2,470,000	2,175,000	-
2033	19,960,000	3,175,000	11,840,000	2,595,000	2,350,000	-
2034	20,900,000	3,330,000	12,315,000	2,725,000	2,530,000	-
2035	21,900,000	3,500,000	12,830,000	2,860,000	2,710,000	-
2036	22,935,000	3,670,000	16,265,000	3,000,000	-	-
2037	24,080,000	3,855,000	17,075,000	3,150,000	-	-
2038	25,285,000	4,050,000	17,930,000	3,305,000	-	-
2039	25,940,000	-	25,125,000	815,000	-	-
2040	4,530,000	-	3,675,000	855,000	-	-
2041	3,415,000	2,515,000	-	900,000	-	-
2042	3,590,000	2,645,000	-	945,000	-	-
2043	3,765,000	2,775,000	-	990,000	-	-
2044	3,955,000	2,915,000	-	1,040,000	-	-
2045	4,155,000	3,060,000	-	1,095,000	-	-
2046	4,360,000	3,210,000	-	1,150,000	-	-
2047	4,585,000	3,380,000	-	1,205,000	-	-
2048	4,825,000	3,560,000	-	1,265,000	-	-
2049	5,075,000	5,075,000	-	-	-	-
2050	5,340,000	5,340,000	-	-	-	-
2051	5,620,000	5,620,000	-	-	-	-
2052	5,915,000	5,915,000	-	-	-	-
2053	6,225,000	6,225,000	-	-	-	-
2054	6,555,000	6,555,000	-	-	-	-
2055	6,900,000	6,900,000	-	-	-	-
TOTALS	**$347,955,000**	**$96,825,000**	**$176,695,000**	**$42,900,000**	**$28,725,000**	**$2,810,000**

$96,825,000
CITY OF TALLAHASSEE, FLORIDA
Consolidated Utility Systems Refunding Revenue Bonds, Series 2025

Dated: August 13, 2025

Purpose

The Series 2025 Bonds were issued to pay the costs of certain capital improvements to the City's consolidated utility systems, and to refund the City's outstanding Consolidated Utility Systems Revenue Bonds, Series 2018.

Security

The Series 2024A Bonds are secured by a lien on and pledge of the Net Revenues of the City's Utility System and the Gross Revenues of the City's Stormwater Drainage System on a parity with the Consolidated Utility Systems Revenue Bonds, Series 2024A, the Consolidated Utility Systems Revenue Bonds, Series 2024, the Consolidated Utility Systems Refunding Revenue Bonds, Series 2023, and the Consolidated Utility Systems Refunding Revenue Bonds, Series 2020.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2025 Series Bonds, all fully registered, due October 1, 2055. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing October 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Fitch:	AA+
Standard & Poor's:	AA

Optional Redemption

The Series 2025 Bonds maturing on or before October 1, 2035 are not subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after October 1, 2036 shall be subject to redemption prior to their maturity, at the option of the City, on or after October 1, 2036, as a whole or in part at any time, and if in part as selected by lot in such reasonable manner as the Registrar in its discretion may determine, at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date.

$96,825,000 CITY OF TALLAHASSEE, FLORIDA CONSOLIDATED UTILITY SYSTEMS REVENUE REFUNDING BONDS, SERIES 2025				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$350,000	$4,970,700	$5,320,700
2027	5.000%	-	4,953,200	4,953,200
2028	5.000%	525,000	4,953,200	5,478,200
2029	5.000%	1,050,000	4,926,950	5,976,950
2030	5.000%	1,730,000	4,874,450	6,604,450
2031	5.000%	2,880,000	4,787,950	7,667,950
2032	5.000%	3,020,000	4,643,950	7,663,950
2033	5.000%	3,175,000	4,492,950	7,667,950
2034	5.000%	3,330,000	4,334,200	7,664,200
2035	5.000%	3,500,000	4,167,700	7,667,700
2036	5.000%	3,670,000	3,992,700	7,662,700
2037	5.000%	3,855,000	3,809,200	7,664,200
2038	5.000%	4,050,000	3,616,450	7,666,450
2039	5.000%	-	3,413,950	3,413,950
2040	5.000%	-	3,413,950	3,413,950
2041	5.000%	2,515,000	3,413,950	5,928,950
2042	5.000%	2,645,000	3,288,200	5,933,200
2043	5.000%	2,775,000	3,155,950	5,930,950
2044	5.000%	2,915,000	3,017,200	5,932,200
2045	5.000%	3,060,000	2,871,450	5,931,450
2046	5.250%	3,210,000	2,718,450	5,928,450
2047	5.250%	3,380,000	2,549,925	5,929,925
2048	5.250%	3,560,000	2,372,475	5,932,475
2049	5.250%	5,075,000	2,185,575	7,260,575
2050	5.250%	5,340,000	1,919,138	7,259,138
2051	5.250%	5,620,000	1,638,788	7,258,788
2052	5.250%	5,915,000	1,343,738	7,258,738
2053	5.250%	6,225,000	1,033,200	7,258,200
2054	5.250%	6,555,000	706,388	7,261,388
2055	5.250%	6,900,000	362,250	7,262,250
TOTALS		**$96,825,000**	**$97,928,175**	**$194,753,175**

$180,995,000
CITY OF TALLAHASSEE, FLORIDA
Consolidated Utility Systems Refunding Revenue Bonds, Series 2024A

Dated: July 10, 2024

Purpose

The Series 2024A Bonds were issued to refund the City's outstanding Consolidated Utility Systems Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds) and the Consolidate Utility Systems Refunding Bonds, Series 2017.

Security

The Series 2024A Bonds are secured by a lien on and pledge of the Net Revenues of the City's Utility System and the Gross Revenues of the City's Stormwater Drainage System on a parity with the Consolidated Utility Systems Revenue Bonds, Series 2024, the Consolidated Utility Systems Refunding Revenue Bonds, Series 2023, the Consolidated Utility Systems Refunding Revenue Bonds, Series 2020, and the Consolidated Utility Systems Revenue Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2024A Series Bonds, all fully registered, due October 1, 2040. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Fitch:	AA+
Standard & Poor's:	AA

Optional Redemption

The Series 2024A Bonds maturing on or before October 1, 2034 are not subject to redemption prior to maturity. The Series 2024A Bonds maturing on or after October 1, 2035 shall be subject to redemption prior to their maturity, at the option of the City, on or after October 1, 2034, as a whole or in part at any time, and if in part as selected by lot in such reasonable manner as the Registrar in its discretion may determine, at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date.

$180,995,000
CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEMS REFUNDING REVENUE BONDS, SERIES 2024A

Bond Year Ending October 1	Interest Rate	Principal	Interest	Total
2026	5.000%	$ 4,520,000	$ 8,834,750	$ 13,354,750
2027	5.000%	7,700,000	8,608,750	16,308,750
2028	5.000%	8,020,000	8,223,750	16,243,750
2029	5.000%	8,365,000	7,822,750	16,187,750
2030	5.000%	8,715,000	7,404,500	16,119,500
2031	5.000%	10,940,000	6,968,750	17,908,750
2032	5.000%	11,380,000	6,421,750	17,801,750
2033	5.000%	11,840,000	5,852,750	17,692,750
2034	5.000%	12,315,000	5,260,750	17,575,750
2035	5.000%	12,830,000	4,645,000	17,475,000
2036	5.000%	16,265,000	4,003,500	20,268,500
2037	5.000%	17,075,000	3,190,250	20,265,250
2038	5.000%	17,930,000	2,336,500	20,266,500
2039	5.000%	25,125,000	1,440,000	26,565,000
2040	5.000%	3,675,000	183,750	3,858,750
TOTALS		**$ 176,695,000**	**$ 81,197,500**	**$ 257,892,500**

$44,660,000
CITY OF TALLAHASSEE, FLORIDA
Consolidated Utility Systems Revenue Bonds, Series 2024

Dated: January 10, 2024

Purpose

The Series 2024 Bonds were issued to finance the cost of certain capital improvements to the City's consolidated utility systems, consisting of well and water distribution, sewer system transmission and treatment and stormwater upgrades, and technology hardware and software upgrades.

Security

The Series 2024 Bonds are secured by a lien on and pledge of the Net Revenues of the City's Utility System and the Gross Revenues of the City's Stormwater Drainage System on a parity with the Consolidated Utility Systems Refunding Revenue Bonds, Series 2024A, the Consolidated Utility Systems Refunding Revenue Bonds, Series 2023, the Consolidated Utility Systems Refunding Revenue Bonds, Series 2020, and the Consolidated Utility Systems Revenue Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2024 Series Bonds, all fully registered, due October 1, 2048. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2025.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Fitch:	AA+
Standard & Poor's:	AA

Optional Redemption

The Series 2024 Bonds maturing on or before October 1, 2032 are not subject to redemption prior to maturity. The Series 2024 Bonds maturing on or after October 1, 2033 shall be subject to redemption prior to their maturity, at the option of the City, on or after October 1, 2032, as a whole or in part at any time, and if in part as selected by lot in such reasonable manner as the Registrar in its discretion may determine, at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date. The Series 2024 Bonds Maturing October 1, 2048 are subject to mandatory sinking fund redemption prior to maturity, in part and selected by lot, at a redemption price of one hundred percent (100%) of the principal amount thereof on October 1, 2025 and on each October 1 thereafter set forth in the Official Statement.

$44,660,000 CITY OF TALLAHASSEE, FLORIDA CONSOLIDADTED UTILITY SYSTEM REVENUE BONDS, SERIES 2024				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	5.000%	$ 1,845,000	$ 2,145,000	$ 3,990,000
2027	5.000%	1,935,000	2,052,750	3,987,750
2028	5.000%	2,035,000	1,956,000	3,991,000
2029	5.000%	2,130,000	1,854,250	3,984,250
2030	5.000%	2,240,000	1,747,750	3,987,750
2031	5.000%	2,350,000	1,635,750	3,985,750
2032	5.000%	2,470,000	1,518,250	3,988,250
2033	5.000%	2,595,000	1,394,750	3,989,750
2034	5.000%	2,725,000	1,265,000	3,990,000
2035	5.000%	2,860,000	1,128,750	3,988,750
2036	5.000%	3,000,000	985,750	3,985,750
2037	5.000%	3,150,000	835,750	3,985,750
2038	5.000%	3,305,000	678,250	3,983,250
2039	5.000%	815,000	513,000	1,328,000
2040	5.000%	855,000	472,250	1,327,250
2041	5.000%	900,000	429,500	1,329,500
2042	5.000%	945,000	384,500	1,329,500
2043	5.000%	990,000	337,250	1,327,250
2044	5.000%	1,040,000	287,750	1,327,750
2045	5.000%	1,095,000	235,750	1,330,750
2046	5.000%	1,150,000	181,000	1,331,000
2047	5.000%	1,205,000	123,500	1,328,500
2048	5.000%	1,265,000	63,250	1,328,250
TOTALS		**$ 42,900,000**	**$ 22,225,750**	**$ 65,125,750**

$34,720,000
CITY OF TALLAHASSEE, FLORIDA
Consolidated Utility Systems Refunding Revenue Bond, Series 2023

Dated: October 1, 2023

Purpose

The Series 2023 Bond was issued in exchange for and in order to refinance the Consolidated Utility System Refunding Revenue Bonds, Series 2022.

The Series 2022 Bond was issued on a taxable basis in a principal amount not to exceed $34,720,000. The Series 2023 Bond was issued at a tax-exempt fixed rate of interest for twelve years.

Security

The Series 2023 Bond is payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Water System, Sewer System on a parity with the Consolidated Utility Systems Refunding Revenue Bonds, Series 2024A, the Consolidated Utility Systems Revenue Bonds, Series 2024, the Consolidated Utility Systems Revenue Bonds, Series 2020, and the Consolidated Utility Systems Revenue Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2023 Series Bond is fully registered and due October 1, 2035. The Note is book-entry-only and is not evidenced by a physical certificate. The Note was priced competitively and issued as a private placement, with Truist as the original purchaser. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2024.

Agents

Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Fitch:	NR
Standard & Poor's:	NR

Optional Prepayment

The Series 2023 Bond is subject to mandatory tender at the option of the Issuer, in whole on any date on or after October 1, 2023, subject to the terms in the resolution and with fourteen days' prior written notice to the Original Purchaser.

$34,720,000 CITY OF TALLAHASSEE, FLORIDA CONSOLIDATED UTILITY SYSTEMS REFUNDING REVENUE BOND, SERIES 2023				
Bond Year Ending October 1	**Interest Rate**	**Principal**	**Interest**	**Total**
2026	2.890%	$ 3,130,000	$ 830,153	$ 3,960,153
2027	2.890%	3,215,000	739,696	3,954,696
2028	2.890%	3,370,000	646,782	4,016,785
2029	2.890%	3,530,000	549,389	4,079,389
2030	2.890%	3,700,000	447,372	4,147,372
2031	2.890%	2,015,000	340,442	2,355,442
2032	2.890%	2,175,000	282,209	2,457,209
2033	2.890%	2,350,000	219,351	2,569,351
2034	2.890%	2,530,000	151,436	2,681,436
2035	2.890%	2,710,000	78,319	2,788,319
TOTALS		**$ 28,725,000**	**$ 4,285,148**	**$ 33,010,148**

$14,875,000
CITY OF TALLAHASSEE, FLORIDA
Consolidated Utility Systems Refunding Revenue Bonds, Series 2020

Dated: August 6, 2020

Purpose

The Series 2020 Bonds were issued to refund on a current basis the City's outstanding Consolidated Utility Systems Revenue Bonds, Series 2010B.

The Series 2010B Bonds were issued to pay the cost of the plan, design and construction of upgrades to the Thomas P. Smith Wastewater Treatment Plant, to include a new biosolids building and equipment and improvements to reduce effluent nitrogen, and other changes to accommodate nutrient removal.

Security

The Series 2020 Bonds are secured by a lien on and pledge of the Net Revenues of the City's Utility System and the Gross Revenues of the City's Stormwater Drainage System on a parity with the Consolidated Utility Systems Refunding Revenue Bonds, Series 2024A, the Consolidated Utility Systems Revenue Bonds, Series 2024, the Consolidated Utility Systems Refunding Revenue Bond, Series 2023, and the Consolidated Utility Systems Revenue Bonds, Series 2018.

Bond Reserve

There are no debt service reserve fund requirements.

Form

The 2020 Series Bonds, all fully registered, due October 1, 2026. The Bonds are book entry-only and are not evidenced by physical bond certificates. Interest is payable semi-annually on each April 1 and October 1, commencing April 1, 2021.

Agents

Registrar:	US Bank National Association, Jacksonville, Florida
Paying Agent:	US Bank National Association, Jacksonville, Florida
Bond Counsel:	Bryant Miller Olive P.A., Tallahassee, Florida

Ratings at issuance

Fitch:	AA+
Standard & Poor's:	AA

Optional Redemption

The Series 2020 Bonds are not subject to optional redemption prior to maturity.

$14,875,000
CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020

Bond Year Ending October 1	Interest Rate	Principal	Interest	Total
2026	5.000%	$ 2,810,000	$ 140,500	$ 2,950,500
TOTALS		**$ 2,810,000**	**$ 140,500**	**$ 2,950,500**

Regulatory, System Outlook, And Future Developments

The City of Tallahassee's Consolidated Utility Systems (the "Systems") operate within established regulatory frameworks and are supported by long-standing operational, financial, and planning practices. This section provides a forward-looking perspective on regulatory compliance, system outlook, and factors that may influence future operations.

Regulatory Status

The Systems remain in good standing with all applicable regulatory agencies. Required permits governing water supply, wastewater treatment and reuse, and stormwater management are in effect, and no material compliance issues have been identified that would adversely affect system operations or financial performance.

Recent and emerging drinking water regulations, including revisions to the federal Lead and Copper Rule and proposed standards for per- and polyfluoroalkyl substances (PFAS), are being actively monitored. In accordance with regulatory requirements, during 2025 the City completed a comprehensive evaluation of the Water System and formally determined that the system is free of lead service lines, confirming full compliance with applicable Lead and Copper Rule requirements. Management will continue to evaluate potential impacts of evolving drinking water regulations and incorporate compliance considerations into operational and capital planning, as appropriate.

Wastewater and stormwater operations are subject to ongoing regulatory requirements related to water quality protection, nutrient management, and stormwater discharge. Management monitors regulatory developments affecting these systems and integrates compliance considerations into operational practices and long-range planning to support continued adherence to applicable standards.

System Outlook

Management anticipates stable operations across the Systems, supported by a diverse customer base, predictable rate and fee frameworks, and disciplined financial management. Demand patterns are expected to remain consistent with recent trends, and no material changes to service areas or operating assumptions are currently anticipated.

Capital investments are expected to continue to emphasize renewal and replacement of existing infrastructure, regulatory compliance, operational reliability, and system resilience. Growth-related capital needs are anticipated to be incremental and are evaluated within the context of long-range planning and available system capacity.

Stormwater Considerations

The Stormwater Management System will continue to prioritize compliance with MS4 permit requirements, water quality objectives, and flood mitigation needs. Planning and operational efforts emphasize maintenance of existing infrastructure, implementation of water quality treatment measures, and resilience related to extreme rainfall and flooding.

Risk Management and Resilience

Management employs risk-based asset management and planning practices to identify, prioritize, and address infrastructure needs and operational risks. These practices support continuity of service, regulatory compliance, and financial stability, and are intended to mitigate the potential impacts of aging infrastructure, environmental variability, and evolving regulatory requirements.

Conclusion

Based on current conditions, management does not anticipate regulatory, operational, or financial developments that would materially impair the Systems' ability to meet service obligations or debt service requirements. Established governance, planning, and management practices are expected to continue to support the long-term operational and financial stability of the Consolidated Utility Systems.

OTHER DEBT FINANCING

Master Lease Program

The City of Tallahassee has historically sourced operating project financing and leases through the leasing vendor, or a vendor preferred partner. In 2025, the City developed and adopted a Master Lease Program that will leverage the City's access to institutional lenders, provide a legal review of the leasing agreements and tax-exempt status of each lease, and likely provide lower cost financing options than are available from vendor offered options. Utilizing a master lease program formalizes operating project financing, but does not result in additional spending or increased obligations. The program is formally adopted annually by the City Commission.

Sunshine State Governmental Financing Commission

The Sunshine State Governmental Financing Commission (the "Commission") was created in 1985 through an interlocal agreement between the City of Tallahassee and the City of Orlando, Florida. Subsequently, a number of other Florida cities and counties joined the Commission. The Commission was created to provide active and more sophisticated debt issuers the opportunity to work together to create low cost, flexible financing instruments. The Sunshine State Governmental Financing Commission was dissolved on April 5, 2023.

Conduit Issues, Non-Profit Organizations

The City has also acted as a conduit for the issuance of bonds for two non-profit organizations in the City: Tallahassee Memorial HealthCare, Inc. and Florida State University Schools, Inc. Tallahassee Memorial HealthCare, Inc. currently has four bond issues outstanding for which the City has acted as a conduit. Florida State University Schools, Inc. has one Lease Revenue bond issue outstanding.

- As of September 30, 2025, there was one Lease Revenue Bond outstanding. The original issue amount totaled $18.1 million, and the outstanding balance is $1,501,932.
- As of September 30, 2025, there were four series of Health Facilities Revenue Refunding Bonds outstanding. The original issue amounts totaled $357,300,000, and the outstanding balance is $331,845,000; and

On March 11, 2026, the City of Tallahassee City Commission approved a Transfer of Assets Agreement with Florida State University ("FSU") regarding the sale of the City's assets comprising Tallahassee Memorial Hospital (the "Hospital") to FSU. Such sale, if it occurs, would be subject to the City's existing lease of the Hospital to Tallahassee Memorial HealthCare, Inc. ("TMH") that will be transferred by the City to FSU as part of the sale of the assets. It is expected that the City's outstanding Health Facilities Revenue Refunding Bonds, Series 2015A (Tallahassee Memorial HealthCare, Inc. Project), Health Facilities Revenue Bonds, Series 2016A (Tallahassee Memorial HealthCare, Inc. Project) and Health Facilities Revenue Bonds, Series 2016B (Tallahassee Memorial HealthCare, Inc. Project) secured by TMH revenues derived from the Hospital will be unaffected by any such transfer, and will continue to be secured by such revenues on the same basis going forward.

Conduit Issues, Industrial Development, and Industrial Revenue Bonds

From time to time the City also acts as a conduit issuer for private industries in the issuance of Industrial Development Revenue Bonds. On August 15, 2011, conduit bonds were issued as $5,400,000 City of Tallahassee, Florida Industrial Revenue Bonds (SunnyLand Solar, LLC Project), Series 2011. Under the terms of the bond, the entity on whose behalf the bonds are issued (Tallahassee Economic Partners, LLC) is solely responsible for their repayment with no resulting liability on behalf of the City.

- As of September 30, 2025, the outstanding balance on the Series 2011 Industrial Revenue Bonds is $4,159,827