



# TEMPLE TERRACE, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR 2018

October 2017  
through  
September 2018



TEMPLE TERRACE

*Amazing City. Since 1925.*





# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank



# TEMPLE TERRACE

*Amazing City. Since 1925.*

## **CITY OF TEMPLE TERRACE, FLORIDA**

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**PREPARED BY:  
*THE FINANCE TEAM WITH:***

**LYN BOSWELL  
*FINANCE DIRECTOR***

**JIM INGRAM  
*ASSISTANT FINANCE DIRECTOR***



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank.

**CITY OF TEMPLE TERRACE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

**Introductory Section**

Letter of Transmittal.....	1
Organizational Chart.....	9
List of Elected and Appointed Officials.....	10
Certificate of Achievement.....	11

**Financial Section**

<b>Independent Auditors' Report</b> .....	15
---	----

<b>Management's Discussion and Analysis</b> .....	17
---	----

**Basic Financial Statements:**

Government-Wide Financial Statements:

Statement of Net Position .....	31
Statement of Activities .....	32

Fund Financial Statements:

Balance Sheet – Governmental Funds .....	34
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.....	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund.....	41
Street Improvement Special Revenue Fund.....	42
Community Investment Tax Special Revenue Fund.....	43
Tax Increment Financing Special Revenue Fund.....	44
Statement of Net Position – Proprietary Funds .....	46
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	48
Statement of Cash Flows – Proprietary Funds.....	50
Statement of Fiduciary Net Position – Pension Trust Funds .....	52
Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	53
Notes to Financial Statements.....	54

**CITY OF TEMPLE TERRACE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

**Required Supplementary Information**

Pension and Other Postemployment Benefit Schedules:

Schedule of Proportionate Share of the Net Pension Liability.....	104
Schedule of Retirement Contributions.....	106
Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Retirement System.....	108
Schedule of Contributions and Notes to Schedule – Firefighters' Retirement System.....	110
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers' Retirement System.....	112
Schedule of Contributions and Notes to Schedule - Police Officers' Retirement System.....	116
Schedule of Money-Weighted Investment Returns - Firefighters' and Police Officers' Retirement System .....	118
Schedule of Changes in Total OPEB Liability and Related Ratios .....	119

**Other Supplementary Information**

**Combining and Individual Fund Financial Statements and Schedules:**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund .....	121
---	-----

**Statistical Section (Unaudited)**

**Financial Trends:**

Net Position by Component .....	125
Changes in Net Position .....	126
Fund Balances, Governmental Funds.....	128
Changes in Fund Balances, Governmental Funds.....	129

**Revenue Capacity:**

Government-Wide Revenues .....	130
Government-Wide Expenses by Function.....	131
General Government Revenues by Source .....	132
General Government Expenditures by Function .....	133
Property Tax Levies and Collections .....	134
Assessed Value of Taxable Property .....	135
Property Tax Rates – Direct and Overlapping Governments .....	136

**Debt Capacity:**

Ratios of Outstanding Debt by Type .....	137
Computation of Direct and Overlapping Debt.....	138
Schedule of Revenue Bond Coverage.....	139

**Demographic and Economic Information:**

Demographic Statistics .....	140
Principal Taxpayers .....	141
Principal Employers in Hillsborough County .....	142
Principal Utility Customers.....	143

**CITY OF TEMPLE TERRACE, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

**Operating Information:**

Full-Time Equivalent City Employees by Function .....	144
Capital Asset Statistics by Function .....	145
Operating Indicators by Function .....	146
Water and Sewer Fund Statistical Data .....	148
Water Production Data .....	149

**Compliance Reports**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	153
Independent Auditor's Management Letter .....	157
Independent Accountant's Report .....	159



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank.



## **INTRODUCTORY SECTION**

Transmittal Letter

Organization Chart

List of Elected and Appointed Officials

Certificate of Achievement



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank



March 26, 2019

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

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the City of Temple Terrace, Florida, for the fiscal year ended September 30, 2018. This report fulfills the requirements set forth in the City's Charter, Section 214; Florida State Statutes, Chapter 166.241 (4); and the Rules of the Auditor General, Chapter 10.550 which requires that all local governments publish each fiscal year a complete set of audited financial statements in accordance with auditing standards generally accepted in the United States by a firm of licensed certified public accountants.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of Transmittal is designed to complement the statements and should be read in conjunction with the MD&A, which can be found immediately following the independent auditors' report.

Florida Statutes, Chapter 11.45 and Chapter 10.550, require that an annual financial audit is performed by independent certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Temple Terrace for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Temple Terrace's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

City Manager's Office  
11250 NORTH 56<sup>TH</sup> STREET \* P.O. BOX 16930 \* TEMPLE TERRACE, FLORIDA 33687  
PHONE 813-506-6400 \* FAX 813-506-6401 \* [www.templeterrace.com](http://www.templeterrace.com)

## PROFILE OF THE CITY OF TEMPLE TERRACE

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

Temple Terrace was developed as a high-quality residential suburban community in the Tampa Bay area during the 1960s and 1970s. The unique neighborhoods, with a golf course and the meandering Hillsborough River, combined with the City's proximity to downtown Tampa, Interstate 75, the University of South Florida, Florida College and numerous renowned employment centers, continue to make the City attractive to a broad spectrum of the region's population.

Like many of its suburban counterparts, the City's employment base is heavily dominated by the service industry; additional employment-generating industry is occurring as a result of development in the I-75 corridor. Although the percentage of resident workers employed within the City may increase, it will remain predominantly a suburban commuter community, maintaining its reputations as an “Amazing City. Since 1925.”

The City, with an estimated population of 26,512, provides a full range of general municipal services including police, fire, street construction and maintenance, planning and zoning, parks and recreation, library, and general administrative services. In addition, water, sewer, and solid waste collection services are provided and funded with user charges established by the City Council to ensure adequate coverage of operating expenses and payments on debt. Equipment maintenance, warehouse services, and facility maintenance are provided through Internal Service Funds with charge-backs to user departments to cover the cost of operation. The City of Temple Terrace contracts with the City of Tampa to receive and treat wastewater, and contracts with the Hillsborough County to receive solid waste.

The annual budget serves as the foundation for the City's financial planning and control. All City departments are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the basis for developing the proposed budget. The City Manager presents the proposed budget to City Council for review no less than forty-five (45) days before the expiration of each fiscal year as established by Charter Section 6.02. The City Council is required to hold two (2) public hearings on the proposed budget and adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function, and department. Budgets for all governmental fund types are adopted consistent with generally accepted accounting principles. Budget-to-actual comparisons are provided for each governmental fund.

## ***ECONOMIC CONDITION***

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment within which the City of Temple Terrace operates.

### **Local Economy**

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

Hillsborough County's top private sector employers are Tampa General Hospital, Publix Supermarkets, and Baycare Health Systems. The top public sector employers are Hillsborough County School District, MacDill Air Force Base, Hillsborough County Government, HCA West Florida, Tampa International Airport and The University of South Florida.

Although the State of Florida is known for citrus fruits and tourism, the Tampa area boasts a high-technology job base, ranked the second largest technology hub in Florida. This higher wage industry is a positive indicator that the City's wage structure will improve over time. With continued State-shared revenues, building permits and annexation of property increasing, the City continues to diversify its economic base in terms of long-range strength.

Presently, the City has an aggregate inventory of 755 acres of developed commercial properties. Many of these retail venues serve the increasing convenience and general merchandise shopping demands of residents from Temple Terrace, Tampa, and unincorporated Hillsborough County. Temple Terrace's larger retail shopping opportunities are located outside the City limits and are largely concentrated in three geographical nodes: New Tampa, Brandon, and the Westshore area.

The City is home to Coca Cola Company's North American Customer Development Center. Telecom Park, the City's primary Class A office district, is located along the Hillsborough River and houses Verizon's Southeast Regional Communications, Moffitt Cancer Center, Florida Orthopedic, The Florida Department of Environmental Protection Agency, Chapters Health Care, Marriot Hotels, and Circle K regional offices.



## Long-term planning goals

Temple Terrace residents, elected officials, and the administration recently completed the Your City, Our Future community-driven strategic plan which includes ten goals and fifty-one specific objectives. Annually, the Mayor and City Council review the objectives and develop the priorities for the upcoming fiscal year. The Mayor and City Council's objectives established for the Fiscal Year 2018-2019 are:

- Develop a strategic marketing plan that attracts new residents, businesses, and promotes the City's services and events;
- Enhance and expand external communication methods and technology;
- Enhance and maintain library services that are enjoyable and accessible to the community;
- Improve the reliability and sustainability of fitness equipment as well as expand the varieties of fitness equipment in recreation facilities to enhance the user's fitness experience;
- Develop and implement a plan which ensures parks and playground equipment are maintained at a level that is consistent with users' expectations and desires;
- Improve facility conditions at the Temple Terrace Family Recreation Complex;
- Develop a strategy to provide sufficient water treatment and production capacity to accommodate future growth;
- Develop strategies/options to assure a sustainable Annual Pickup Program;
- Create Interdepartmental Annexation Committee;
- Establish an annexation policy and direction;
- Ensure adequate staffing, resources, and facilities are available to accommodate continued growth of the City and its populations;
- Establish Code Compliance staffing levels and programs that meet the needs of the City;
- Increase community awareness of Code Compliance activities and minimum code requirements;
- Provide City employees with a competitive total compensation program in an effort to attract high-quality applicants and retain currently valued and experienced employees;
- Create and maintain a diverse and inclusive workforce through the development of recruitment, training, performance management, and retention programs;
- Encourage development and revitalization of the entire Community Redevelopment Area;
- Establish long-term, realistic strategy consistent with the strategic plan;
- Improve the Budgeting process for both the operating and the capital budgets;
- Reform purchasing policies for consistency with ordinance, statutes, and best practices;
- Secure necessary department financing to achieve long-term sustainability; and
- Assist Temple Terrace Golf & Country Club in achieving financial sustainability.

The above twenty-one objectives directly relate to the Council's commitment to the below goals:

- Develop a comprehensive marketing and outreach plan to reach a diverse audience, promoting the City of Temple Terrace as an amazing place to live, work, play, and learn;
- Develop a multifaceted, comprehensive communication plan that engages internal and external audiences;
- Develop and implement a comprehensive formal plan which would enhance, maintain and promote Leisure Services' facilities, activities, programs, and encourage community growth and involvement;
- Support and enhance a high quality of life for the City's residents, businesses, and visitors by providing sustainable, environmentally-sensitive, cost-effective infrastructure and services to promote public health, personal safety, transportation, economic growth, and civic vitality;
- Promote orderly growth in the Urban Service Area and those in the Joint Planning Areas of Unincorporated Hillsborough County; Ensure that residents and businesses outside the city limits share tax and maintenance costs for facilities, streets, and utilities necessary to meet the demand of future populations;
- Make certain our Public safety services continue to thrive and meet the challenges of population growth while delivering the community data to illustrate the level of services provided;
- Provide a comprehensive code enforcement effort which is consistent, fair and equitable in its application, preserves neighborhood integrity, protects the public health and well-being and enhances property values;
- Develop and improve procedures to monitor and address employee compensation, departmental workload, and wellness in an effort to provide the citizens of Temple Terrace with exemplary service from a workforce of qualified, experienced, and healthy employees;
- Enhance the City's residential, commercial and municipal properties by engaging the residents and business community to promote sustainable, safe, attractive and desirable development by using innovative marketing, progressive regulations, and model municipal facilities while supporting and promoting economic opportunity; and,
- Establish and promote a long-term stable financial future by effective and efficient use of fiscal resources and improving the purchasing and budgeting processes.

The Five-Year Capital Improvement Plan, adopted September 18, 2018, provides a City-wide business plan for utility improvements, equipment replacements, and projects related to growth. The plan details the development of revenue projections and capital needs assumptions. Over the past five years, many capital items in the General Fund have been delayed. Community Investment Tax revenue continues to provide many improvements that benefit the community, such as police and fire vehicles and equipment, parks and recreation enhancements.

The City extends infrastructure beyond the current service area and typically recoups the initial investment over a five- to seven-year period. Although there will be a lag between capital expenses and realized revenues, the growth should stabilize revenues in the short-term and provide long-term economic growth.

Long-range visions of water and sanitation:

- **Water** – The Water Division’s long-term vision is to provide uninterrupted, high-quality water and service to a growing area. Annually, the Department coordinates utility relocations with the Engineering Division for street rehabilitation and resurfacing projects. As the City expands, the Department will be cognizant of plans to expand the water treatment plant and determine alternative treatment methods and sources.
- **Sanitation** –The Sanitation Division will explore phased-automation for the recycle program to improve service, increase efficiency, reduce costs and encourage recycling.

## **RELATED FINANCIAL POLICIES**

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

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

## **Accounting Systems**

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

## **Budgetary Control**

During the fiscal year, budgetary control and revisions are maintained at the department level. All purchase orders are compared to the category appropriation. Department directors are authorized to move funds within the categories of their respective divisions. The City Manager or Finance Director is authorized to transfer any unencumbered appropriation balance, or portion thereof, between specific expenditure classifications within a department or fund. The budget process allows for amendments during the year as conditions warrant. Per the City Charter, the City Council is authorized to make changes to the budget as it deems necessary for the City’s proper and economical operation, and may transfer any unencumbered balance, or portion thereof, to pay for any municipal purpose. An amendment may be initiated by the Finance Director, reviewed by the City Manager, and submitted to the City Council for its consideration. With City Council approval, appropriations are realigned. In addition, the enabling legislation allows the City Manager or Finance Director to transfer an encumbered balance among programs within an operating fund, providing such action does not result in discontinuing a program. Also, appropriation of donated or grant expenditures is based upon the request. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in City Council’s adopted annual budget.

## **MAJOR INITIATIVES**

Redevelopment of the City's commercial property remains a high priority. The City's long-term financial condition is very dependent upon growing the local tax base through both strategic public and private investment. The City should reexamine its land development criteria in the redevelopment overlay, which will focus on a flexible/streamlined development process and encourage business.

FY 2017-2018 brought no net increase in rates for water and sewer and will be used to meet system operating costs and capital reinvestment needed to ensure the long-term viability of the utility system.

The condition of the City's sanitary sewer collection system and pump stations that move wastewater to the City of Tampa for treatment has been a focal point for the City's utility staff this past year and will require substantial investment to ensure regulatory compliance and sustainable service to our customers. Designs for reconstruction are underway for three major sanitary transfer stations and will when completed provide for more efficient operations and sustainable operations.

The capital expenditures included in 2018 include improvements to City Hall, Information Technology equipment and software, new fire truck, the second half of the renovations at the recreation center, buddy baseball resurfacing, patrol vehicles, much-needed water, and sewer line repairs, replacing sidewalk, and resurfacing of streets in several locations. The entire Capital Improvement Program for FY19 can be found on page 253 of the City Budget, located at [www.templeterrace.com](http://www.templeterrace.com), under the subheading of Agenda & Documents, then to the drop-down list of our current/past budgets, and audits under Annual Budget, & Financial Reports.

## **AWARDS AND ACKNOWLEDGMENTS**

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Temple Terrace for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. This was the forty-second consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

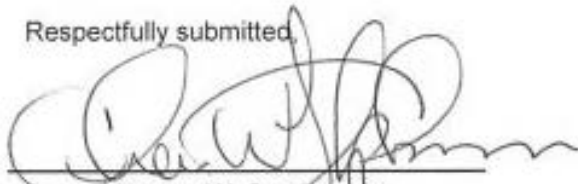
A Certificate of Achievement is valid for a period of one year only. We believe that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for a subsequent certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its Annual Budget for the fiscal year beginning October 1, 2017, marking the twenty-ninth year the City has received this award. It is based on a governmental unit's publishing a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium.

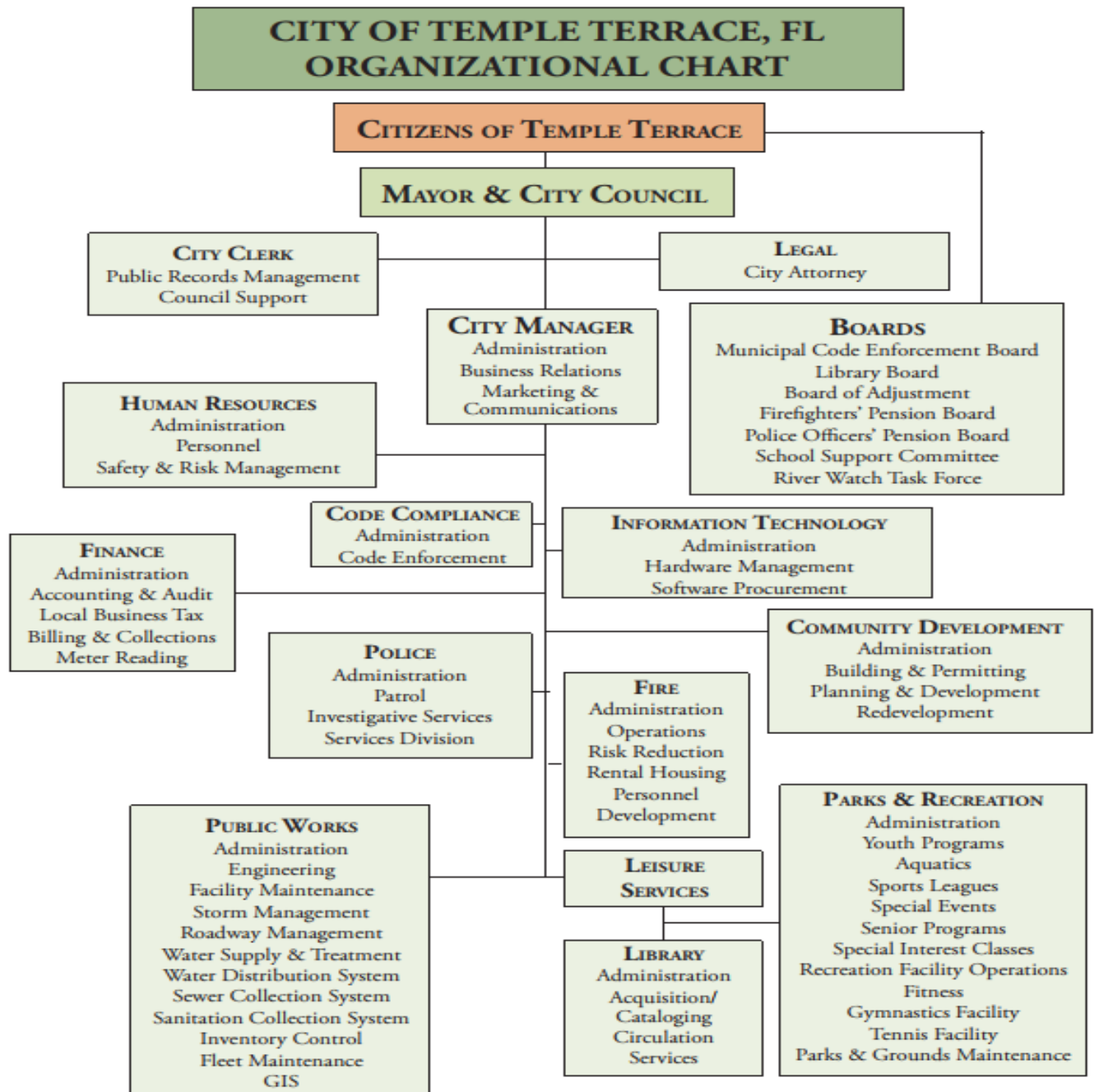
### **Acknowledgments**

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

Respectfully submitted,

  
\_\_\_\_\_  
Charles W. Stephenson  
City Manager  
\_\_\_\_\_  
Lyn Boswell  
Finance Director





# CITY OF TEMPLE TERRACE, FLORIDA

## FISCAL YEAR 2017-18

### **CITY COUNCIL – Elected Officials**

Mel Jurado, Mayor  
Frank Chillura, Vice Mayor

Andy Ross  
James Chambers

Cheri Donohue  
Gil Schisler

### **CITY MANAGER**

Charles W. Stephenson

### **Appointed Officials**

City Attorney  
City Clerk  
Code Compliance Director  
Community Development Director  
Finance Director  
Fire Chief  
Human Resources Director  
Leisure Services Director  
Information Technology Director  
Police Chief  
Public Works Director of Operations  
Public Works Director of Utilities

Pamela Cichon  
Cheryl Mooney  
Thomas Borroni  
Amir Anisi  
Lyn Boswell  
Ian Kemp  
Janet Bledsoe  
Karl Langefeld  
Robert Keel  
Kenneth Albano  
Ray LeBlanc  
Troy Tinch



Government Finance Officers Association

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

Presented to

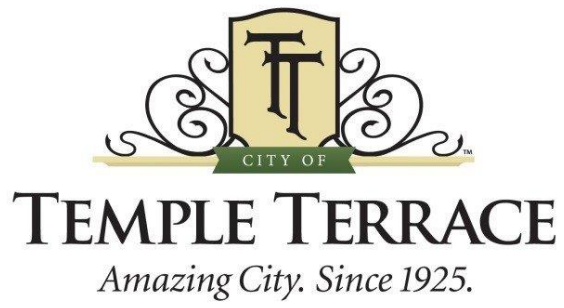
**City of Temple Terrace  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



This page is left intentionally blank

# **FINANCIAL SECTION**

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

Financial Schedules





# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank



## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the City Council  
City of Temple Terrace, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Temple Terrace, Florida (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows, and the budget to actual statements for the general fund and major special revenue funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

**Other Matters**

*Required Supplementary Information*

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

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**MOORE STEPHENS LOVELACE, P.A.**

Certified Public Accountants

Tampa, Florida  
March 26, 2019

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

Management of the City of Temple Terrace's (the City) has prepared the following discussion and analysis to provide the readers of the City's financial statements a general overview of the financial activities for the Fiscal Year (FY) ended September 30, 2018. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Transmittal Letter and the City's financial statements.

**Financial Highlights**

- For FY 2018, the City's total net position increased by \$3,075,146. The governmental net position increased by \$844,360 and business-type net position increased \$2,230,786.
- Comparing FY 2018 with FY 2017, the governmental activities revenue increased \$1,325,406 (or 4.9%). In FY 2018, the results of governmental activities produced an increase in net position of \$844,360, while in FY 2017 net position increased by \$344,177.
- Comparing FY 2018 with FY 2017, the business-type activities revenue increased by \$547,088 (or 3.5%). In FY 2018, the results of business type activities produced an increase in net position of \$2,230,786, while FY 2017 net position increased by \$1,985,570.
- Comparing FY 2018 with FY 2017, the City's total expenses increased by \$1,127,095 (or 2.78%).
- For FY 2018, the General Fund reported an increase in fund balance of \$644,727, compared to an increase of \$188,430 in FY 2017.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government- wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

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

**City of Temple Terrace, Florida**  
**Management's Discussion and Analysis**  
**Year Ended September 30, 2018**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 31-32 of this report.

The Statement of Net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This statement format combines and consolidates the governmental funds' current financial resources with capital assets (including infrastructure) and long-term obligations. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents changes in the City's net position during the most recent fiscal year. All changes in net position are reported when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish City functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City basic services include general government, police, fire, protective inspections, public works, community development, and recreation. Property taxes, utility taxes, gas taxes, sales taxes, and the City's utilities contribution finance the majority of these services. The business-type activities reflect private sector-type operations (water, sewer, and sanitation), where the fee for services typically covers all or most of the cost of operation including depreciation.

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

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

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

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Improvement Fund, the Community Investment Tax Fund, the Tax Increment Financing Fund, Insurance Premium Tax Fund and the Debt Service Fund, all of which are considered major funds.



**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

The governmental fund financial statements can be found on pages 34-40 of this report.

**Proprietary funds.** The City of Temple Terrace maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water/Sewer and Sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet maintenance. These services predominantly benefit governmental rather than business-type functions. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the two major enterprise funds. The internal service fund is presented in the proprietary fund financial statements. Fund data for the internal funds is provided elsewhere in this report. The basic proprietary fund financial statements can be found on pages 46-51 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 52-53 of this report.

**Notes to the financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-102 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Temple Terrace's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on page 104-119 of this report.

The combining statements referred to earlier and other schedules are presented immediately following the required supplementary information on pensions.

### **Government-wide Financial Analysis**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$35,840,303 as of September 30, 2018. The table below reflects the condensed government-wide Statement of Net Position.

**City of Temple Terrace, Florida**  
**Management's Discussion and Analysis**  
**Year Ended September 30, 2018**

Statement of Net Position  
as of September 30

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Assets</b>						
Current and Other Assets	\$ 17,124,989	\$ 14,735,053	\$ 13,942,036	\$ 11,894,513	\$ 25,871,960	\$ 26,629,566
Capital Assets (net)	46,730,729	47,341,619	27,409,412	27,755,330	79,335,206	75,096,949
<b>Total Assets</b>	<b>63,855,718</b>	<b>62,076,672</b>	<b>41,351,448</b>	<b>39,649,843</b>	<b>105,207,166</b>	<b>101,726,515</b>
<b>Deferred Outflows of Resources</b>	<b>3,181,858</b>	<b>2,188,478</b>	<b>221,435</b>	<b>213,429</b>	<b>3,403,293</b>	<b>2,401,907</b>
<b>Current and Other Liabilities</b>	<b>2,657,415</b>	<b>1,247,262</b>	<b>2,207,217</b>	<b>2,703,056</b>	<b>4,864,632</b>	<b>3,950,318</b>
<b>Noncurrent Liabilities</b>	<b>63,082,310</b>	<b>63,370,111</b>	<b>1,520,500</b>	<b>1,543,218</b>	<b>64,602,810</b>	<b>64,913,329</b>
<b>Total Liabilities</b>	<b>65,739,725</b>	<b>64,617,373</b>	<b>3,727,717</b>	<b>4,246,274</b>	<b>69,467,442</b>	<b>68,863,647</b>
<b>Deferred Inflows of Resources</b>	<b>3,047,712</b>	<b>2,241,998</b>	<b>255,002</b>	<b>257,620</b>	<b>3,302,714</b>	<b>2,499,618</b>
<b>Net Position:</b>						
Investment in Capital Assets	44,460,729	44,751,620	27,409,412	27,755,329	71,870,141	72,506,949
Restricted	4,658,338	4,257,394	4,322,680	3,854,474	7,047,456	8,111,868
Unrestricted	(50,868,928)	(51,603,235)	5,858,072	3,749,575	(43,077,294)	(47,853,660)
<b>Total Net Position</b>	<b>\$ (1,749,861)</b>	<b>\$ (2,594,221)</b>	<b>\$ 37,590,164</b>	<b>\$ 35,359,378</b>	<b>\$ 35,840,303</b>	<b>\$ 32,765,157</b>

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

Another portion of the City's net position, *restricted net position* at \$7,047,456 (19.66%) represents resources that are subject to external restrictions on how they may be used, e.g., for debt and capital improvements. Restricted net position decreased 13.12% or \$1,064,412 during the year. This decrease is the result of the release of restricted net position amounts related to the Enterprise bonds that were paid off at the end of 2017. At the end of the current fiscal year, the City is able to report positive balances in all categories of net position except for a negative \$43,077,294 in unrestricted net position. The negative \$43,077,294 unrestricted net position is mainly the result of the net pension liability of \$30,498,883 recognized by the City during the implementation of GASB 68 and the implementation of GASB 75 in 2017 which increased the City's OPEB obligation and decreased net position by \$6,030,393.

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

**Statement of Activities.** The key elements of the changes in the City's net position for the fiscal years ended September 30, 2017, and September 30, 2018 are as follows:

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 7,231,227	\$ 6,747,625	\$ 15,951,252	\$ 15,539,655	\$ 23,182,479	\$ 22,287,280
Operating Grants and Contributions	85,884	440,904	-	-	85,884	440,904
Capital Grants and Contributions	195,842	122,327	125,190	47,975	321,032	170,302
General Revenues:						
Property Taxes	10,263,530	9,509,915	-	-	10,263,530	9,509,915
Sales Taxes	5,580,415	5,470,285	-	-	5,580,415	5,470,285
Utility Taxes	4,005,185	3,947,322	-	-	4,005,185	3,947,322
Motor Fuel Taxes	397,436	383,954	-	-	397,436	383,954
Local Business Taxes	249,115	276,176	-	-	249,115	276,176
Investment Earnings	210,031	85,422	109,275	47,899	319,306	133,321
Other General Revenues	340,966	250,295	-	3,100	340,966	253,395
<b>Total Revenues</b>	<b>\$ 28,559,631</b>	<b>\$ 27,234,225</b>	<b>\$ 16,185,717</b>	<b>\$ 15,638,629</b>	<b>\$ 44,745,348</b>	<b>\$ 42,872,854</b>
<b>Expenses:</b>						
General Government	3,502,838	3,934,517	-	-	3,502,838	3,934,517
Public Safety	16,139,381	15,865,516	-	-	16,139,381	15,865,516
Public Works	2,230,417	2,462,894	-	-	2,230,417	2,462,894
Economic Development	24,578	104,227	-	-	24,578	104,227
Culture and Recreation	4,904,099	3,831,790	-	-	4,904,099	3,831,790
Interest on Long-Term Debt	913,958	685,104	-	-	913,958	685,104
Water and Sewer	-	-	10,518,652	10,075,846	10,518,652	10,075,846
Sanitation	-	-	3,436,279	3,577,213	3,436,279	3,577,213
<b>Total Expenses</b>	<b>27,715,271</b>	<b>26,890,048</b>	<b>13,954,931</b>	<b>13,653,059</b>	<b>41,670,202</b>	<b>40,543,107</b>
Change in Net Position before Transfers	844,360	344,177	2,230,786	1,985,570	3,075,146	2,329,747
Transfers	-	-	-	-	-	-
Change in Net Position	844,360	344,177	2,230,786	1,985,570	3,075,146	2,329,747
Net Position-Beginning	(2,594,221)	2,239,063	35,359,378	34,226,740	32,765,157	36,465,803
Prior Period Adjustment	-	(5,177,461)	-	(852,932)	-	(6,030,393)
Net Position-Beginning as Restated	(2,594,221)	(2,938,398)	35,359,378	33,373,808	32,765,157	30,435,410
<b>Net Position-Ending</b>	<b>\$ (1,749,861)</b>	<b>\$ (2,594,221)</b>	<b>\$ 37,590,164</b>	<b>\$ 35,359,378</b>	<b>\$ 35,840,303</b>	<b>\$ 32,765,157</b>

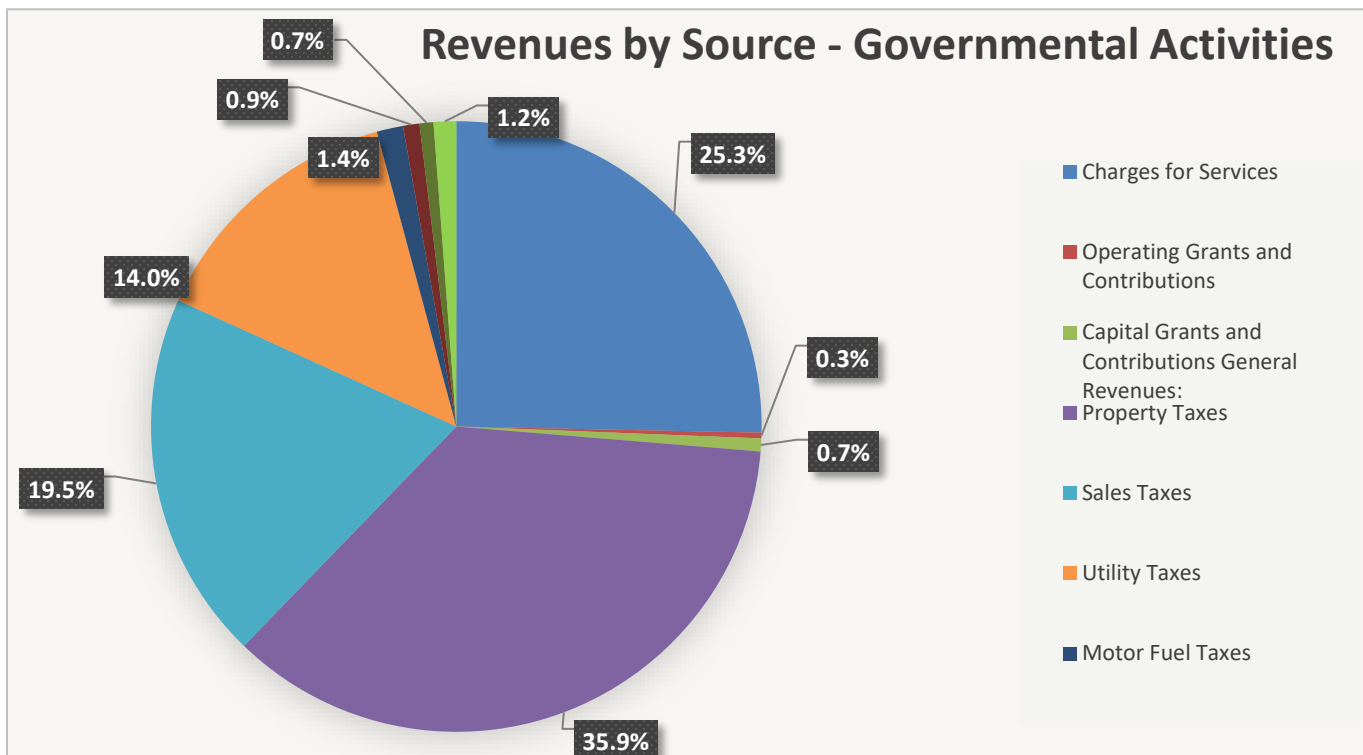
**Governmental activities.** Governmental activities increased the City's net position by \$844,360. The key elements in the difference between the two years are as follows:

- Property taxes increased by \$753,615 or 7.9% during the year. Most of this increase is due to the slight increase in taxable assessed values.
- Sales tax revenue increased 2% from \$5,470,285 in Fiscal Year 2017 to \$5,580,415, in Fiscal Year 2018, utility taxes increased by \$57,862 or 1.5% from \$3,947,322 to \$4,005,185, motor fuel tax revenue increased 3.5%, from \$383,954, to \$397,436, and investment income increased \$124,609 during 2018. The increase in investment income reflects positive market conditions and increased rates of return.

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

- Charges for Services increased \$483,602 or 7.2% as compared to 2017. This increase relates primarily to Ambulance Fees and EMS Billings. In 2017, the City utilized an extremely conservative methodology for revenue recognition for these fees, only recording revenue for actual cash received. In 2018, the City enhanced its tracking and write-off procedures and includes accruals for this revenue line.
- Total expenses were up \$825,223 (3.1%) in Fiscal Year 2018, after an increase of \$1,407,151 (5.5%) in Fiscal Year 2017. This increase relates primarily to general fund expenditures which are discussed more fully below in the General Fund Budgetary section.

**Revenue by Source – Governmental Activities**



The pie chart above shows that 26.3% of offsetting revenues for governmental activity expenses come from specific charges for services (25.3%) and grants (1.0%). The remaining 73.7% of revenue supporting governmental activities come from property taxes (35.9%), other taxes (36.5%) and other general revenues (1.3%).

**Business-type activities.** Business-type activities increased the City's net position by \$2,230,786. Key elements of this increase were:

- The Water and Sewer Utility Fund had an operating income of \$1,779,080. Charges for services increased \$288,957 (2.47%) from \$11,699,613 in 2017 to \$11,988,570 in 2018. This continued increase in Charges for Service revenue relates to rate increases implemented during 2017.

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

- The Sanitation Fund had operating income of \$219,534, which was an increase over the 2017 operating loss of \$59,829. Total revenue increased \$138,429, primarily due to an increase in commercial garbage revenue. Waste Disposal charges for services increased \$92,776 (7.3%) from \$1,275,436 in 2017 to \$1,368,212 in 2018, while repair and maintenance costs decreased \$340,452 as compared to the prior year. Most other expenditures remained consistent.

The Charges for Services category accounts for 96.4% of the revenue generated in the enterprise funds. Rates are established to ensure operating expenses are covered. Rate increases for both enterprise funds were implemented in fiscal 2017.

The net position in the Water and Sewer Utility Fund increased \$2,002,292 while the Sanitation Fund decreased by \$228,494.

**Financial Analysis of the Government's Funds**

**Governmental funds.** As shown below, at the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,517,798, an increase of \$1,265,165, in comparison with the prior year. Approximately 43.5% of this total amount, \$6,314,505, is the total unassigned balance, which is available for spending. The remainder of the fund balance is either *non-spendable, restricted, committed, or assigned*, to indicate that it is 1) not in spendable form (\$2,183,112), legally required to be maintained intact (\$4,658,338), 3) committed for purposes (\$0), or 4) assigned for purposes (\$1,361,843).

**City of Temple Terrace  
Governmental Funds –  
Fund Balance as of September 30, 2018**

	<b>General</b>	<b>Street Improvement</b>	<b>Community Investment Tax</b>	<b>Tax Increment Financing</b>	<b>Debt Service</b>	<b>Total</b>
Nonspendable	\$ 2,183,112	\$ -	\$ -	\$ -	\$ -	\$ 2,183,112
Restricted	404,490	2,879,553	1,373,828	467	-	4,658,338
Committed	-	-	-	-	-	-
Assigned	1,361,843	-	-	-	-	1,361,843
Unassigned	6,314,505	-	-	-	-	6,314,505
Total Net Position	<u>\$ 10,263,950</u>	<u>\$ 2,879,553</u>	<u>\$ 1,373,828</u>	<u>\$ 467</u>	<u>-</u>	<u>\$ 14,517,798</u>

The General Fund is the City's chief operating fund. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$6,314,505, while total fund balance increased 7% to \$10,263,950. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 27.3% of total General Fund expenditures excluding capital outlay and debt service, while total fund balance represents 44.4% of that same amount.

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

The fund balance of the City's General Fund increased \$644,727 (6.7%) as of September 30, 2018.

- The General Fund Final Budget budgeted for a deficiency of revenues over expenditures of \$318,646, including transfers and the sale of general fixed assets. At fiscal year- end, actual revenues were under budgeted by \$510,781. Actual expenditures were \$1,474,501 under budget, resulting in a total excess of \$963,720.
- Budgeted revenues did not change from the original to final budget. Budgeted expenditures decreased only slightly (\$123,573). The largest decrease was in Fire (\$212,223) which was offset by an increase in Police (\$118,343).
- Revenues, at \$25,487,145 increased \$1,616,647 from Fiscal Year 2017 revenues of \$23,870,498.

The Street Improvement Fund increased by \$233,772 to a total fund balance of \$2,879,553, all of which is restricted for eligible street improvement programs.

- The revenues from the current Fiscal Year were \$1,229,254, while the expenditures were \$995,482. Of the expenditure amount, \$264,912 (26.6%) was spent on capital outlay.
- Total revenues decreased \$320,375 (20.7%) compared to Fiscal Year 2017.
- Total expenditures decreased \$87,641 (8.1%) compared to Fiscal Year 2017.

The Community Investment Tax (CIT) Fund ended the year with a fund balance of \$1,373,828, an increase of \$98,133, all of which is restricted for projects as outlined in the Five-Year Capital Improvement Plan.

- The revenues from the current Fiscal Year were \$1,323,545, including \$1,298,257 in one-cent local option sales tax revenue, while expenditures were \$1,191,103. Total revenues decreased \$12,884 (1.0%), compared to Fiscal Year 2017. One-Cent Local Option Tax revenues, the main source of revenue for the CIT fund, decreased \$31,775 (2.4%) from Fiscal Year 2017.
- Total expenditures increased \$376,412 (44.3%), compared to Fiscal Year 2017.

The Tax Increment Financing (TIF) Fund has a fund balance of \$467. Total revenue collected of \$100,792 plus a transfer from the City of \$117,712 was used for debt service payments on the property purchased in the southeast quadrant and for services associated with operations in the Community Redevelopment Agency (CRA) district. As part of the City's efforts to improve quality of life and strengthen the economic environment, the City has established a community redevelopment agency that includes 20 acres of City-owned land.

The Debt Service Fund has a fund balance of \$0 at September 30, 2018. Total revenue collected represents a transfer in of \$1,662,112 from other funds collecting receipts to pay debt service requirements. This fund paid principal and interest on debt in the amount of \$564,621 and \$913,958, respectively. The Debt Service fund also reflects the refinancing of the 2015A Taxable Refunding Revenue Note. Additional debt service of \$23,540,000 is recognized in 2018 for the payoff of this note. Other Financing Sources includes \$23,645,000 proceeds from the new 2018A and 2018B Taxable Refunding Revenue Notes.

The Insurance Premium Tax Fund is used as pass-through and thus, has no budget.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. Unrestricted net position of the Water/Sewer

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

Utility at the end of the year amounted to \$7,136,436, and those for the Sanitation Utility amounted to \$655,198. In 2018, net position for the Water/Sewer Utility increased by \$2,002,292 and Sanitation decreased by \$228,494.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital asset for its governmental and business-type activities as of September 30, 2018, totals \$74,140,142. This investment in capital assets includes land, construction work in progress, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City's total investment in capital assets for the current fiscal year (excluding accumulated depreciation) decreased \$956,807 or 1.3%, more specifically comprised of a 1.29% decrease for governmental activities and a 1.25% decrease for business-type activities. Additional information on the City's capital assets can be found on page 75.

Major capital asset events during the current fiscal year included:

- Capital increased \$2,076,898 due primarily to the purchase of trucks and other construction and maintenance related vehicles and equipment, along with construction projects related to leisure services during fiscal year 2018.
- Accumulated depreciation increased \$3,033,705, with \$1,692,975 of the increase in governmental activities and \$1,340,730 in business-type activities.

**Capital Assets at Year-End  
Net of Depreciation**

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 5,385,417	\$ 5,385,417	\$ 2,417,358	\$ 2,417,358	\$ 7,802,775	\$ 7,802,775
Buildings	14,369,206	12,108,886	3,034,846	2,286,589	17,404,052	14,395,475
Improvements Other Than Building	8,063,002	7,125,338	-	-	8,063,002	7,125,338
Equipment	14,661,395	14,649,092	7,153,164	6,309,690	21,814,559	20,958,782
Infrastructure	39,436,213	39,285,911	44,622,529	44,574,658	84,058,742	83,860,569
Construction in Progress	942,577	3,211,082	199,870	844,658	1,142,447	4,065,740
	<u>82,857,810</u>	<u>81,775,726</u>	<u>57,427,767</u>	<u>56,432,953</u>	<u>140,285,577</u>	<u>138,208,679</u>
Less: Accumulated Depreciation	<u>(36,127,081)</u>	<u>(34,434,106)</u>	<u>(30,018,354)</u>	<u>(28,677,624)</u>	<u>(66,145,435)</u>	<u>(63,111,730)</u>
Net Capital Assets	<u>\$ 46,730,729</u>	<u>\$ 47,341,620</u>	<u>\$ 27,409,413</u>	<u>\$ 27,755,329</u>	<u>\$ 74,140,142</u>	<u>\$ 75,096,949</u>

**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

**Long-term debt.** At the end of the current fiscal year, the City of Temple Terrace had total debt outstanding secured by various revenue sources, e.g., revenue bonds, and covenants to budget and appropriation. Additional information on the City's long-term debt can be found on pages 97-100 of this report.

**Outstanding Debt at Year-End**

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue Notes	\$ 25,716,412	\$ 26,176,033	-	-	\$ 25,716,412	\$ 26,176,033
	<u>\$ 25,716,412</u>	<u>\$26,176,033</u>	<u>-</u>	<u>-</u>	<u>\$ 25,716,412</u>	<u>\$26,176,033</u>

The long-term revenue note balloon payment of \$23,540,000 was refinanced during 2018 with the issuance of 2018A and 2018B Revenue Refunding Notes.

**General Fund Budgetary Highlights**

During the current year, the adopted and final budgeted revenue remained the same.. Supplemental budget expenditures for budgeted appropriations increased between the adopted and final budget by \$318,646. The reason for the increase was to reimburse the Sanitation budget for a loan from that fund in 2015.

Two comparisons of budget to actual worth noting relate to the non-departmental and fire budget lines. The increase in the non-departmental budget line was due to the correction of certain calculations related to expenditures for the Temple Terrace Golf and Country Club loan, which was modified in February 2018. A restatement of the discount rate resulted in an unanticipated expenditure of over \$491,000. In addition, the City revised the calculation of bad debt/write offs in EMS (fire), which resulted in over \$508,962 in expenditures for that account. Both of these corrections were to satisfy GAAP requirements, but technically are not money out the door. The \$491k is accounted for in a contra account; and the expenditures in EMS are offset by the charges not collected in the Accounts Receivable portion of the financials. These two budget lines reflected over expenditure of the budgeted amount.

**Economic Factors and Next Year's Budgets and Rates**

The City administration took a conservative approach to balance the Fiscal Year 2019 budget. The City's taxable property values, set by the Hillsborough County Property Appraiser in June 2018, increased \$232,440,090 or 16% to \$1.72 billion applicable to Fiscal Year 2019, with the property tax revenue in the General Fund adopted budget showing an increase of \$51,119 over Fiscal Year 2018. Over the last five years, property values have increased annually by an average of 6.5%. The City decreased the millage rate to 6.955 mills per \$1,000 assessed property value in Fiscal Year 2018 and decreased that rate to 6.455 mills in Fiscal Year 2019.

The Fiscal Year 2019 budget utilizes no unassigned reserves to balance. The City Council approved decreasing the City's unassigned reserves to two and a half months (16.7%) operating expenditures. The unassigned reserves for Fiscal Year 2019 are estimated to be over the 16.7% required level established by the City Council.



**City of Temple Terrace, Florida  
Management's Discussion and Analysis  
Year Ended September 30, 2018**

The Temple Terrace Redevelopment Area property values rose to \$89.5 million for Fiscal Year 2018, while maintaining a taxable value increase of \$18,102,414 over the 2004 base value of \$62,978,340. Values in this area rose 10.4% over Fiscal Year 2017. The TIF income will assist in contributing to the \$741,546 interest payments on the investment in redevelopment. The budget includes interest and principal expense, but the amount of TIF income will prohibit the City from paying anything towards principal.

The Water/Sewer Enterprise Fund - comprised of several sub-funds, including operations, debt service, renewal and replacement, and improvement fees - is expected to improve its performance slightly. A 4.3% water and sewer rate increase, became effective October 1, 2016. A 2.3% Residential Sanitation rate increase and a 2.3% Commercial Sanitation rate increase became effective October 1, 2016. However, for FY2019, no increases were planned.

### **Requests for Information**

This financial report is designed to provide a general overview of and present accountability for the City of Temple Terrace's finances to users and interested parties, the citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Temple Terrace, 11250 N 56<sup>th</sup> Street, Temple Terrace, FL 33617-6930, via the City's website (<http://www.templeterrace.com>), or by phone at **813-506-6416**.



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

## **BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements

Fund Financial Statements - Governmental, Proprietary  
and Fiduciary

Notes to the Financial Statements



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**September 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, Cash Equivalents and Investments	\$ 13,031,514	\$ 9,394,011	\$ 22,425,525
Receivables (net of allowance for uncollectibles)	3,945,818	1,868,318	5,814,136
Internal Balances	(193,204)	193,204	-
Inventories	182,463	97,385	279,848
Prepays	158,398	-	158,398
Restricted Assets:			
Cash and Cash Equivalents	-	2,389,118	2,389,118
Capital Assets Not Being Depreciated			
Land	5,385,417	2,417,358	7,802,775
Construction in Progress	942,577	199,870	1,142,447
Capital Assets Net of Accumulated Depreciation			
Buildings and Improvements	14,369,206	3,034,846	17,404,052
Improvements Other Than Buildings	8,063,002	-	8,063,002
Machinery, Equipment, and Vehicles	14,661,395	7,153,161	21,814,556
Infrastructure	39,436,213	44,622,529	84,058,742
Less Accumulated Depreciation	(36,127,081)	(30,018,352)	(66,145,433)
Total Assets	<u>63,855,718</u>	<u>41,351,448</u>	<u>105,207,166</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred Outflows - OPEB Related	595,757	98,989	694,746
Deferred Outflows - Pension Related	2,586,101	122,446	2,708,547
	<u>3,181,858</u>	<u>221,435</u>	<u>3,403,293</u>
<b>LIABILITIES</b>			
Accounts Payable	1,340,203	772,680	2,112,883
Accrued Payroll	1,126,857	104,822	1,231,679
Deposits and Other Payables	23,833	1,329,714	1,353,547
Unearned Revenue	166,522	-	166,522
Noncurrent Liabilities			
Due Within One Year:			
Notes Payable	833,866	-	833,866
Compensated Absences	87,177	5,718	92,895
Due in More Than One Year:			
Notes Payable	24,882,546	-	24,882,546
Compensated Absences	784,594	108,643	893,237
Total OPEB Obligation	6,348,841	1,052,543	7,401,384
Net Pension Liability	30,145,286	353,597	30,498,883
Total Liabilities	<u>65,739,725</u>	<u>3,727,717</u>	<u>69,467,442</u>
<b>DEFERRED INFLOWS</b>			
Deferred Inflows - OPEB Related	780,461	127,028	907,489
Deferred Inflows - Pension Related	2,267,251	127,974	2,395,225
	<u>3,047,712</u>	<u>255,002</u>	<u>3,302,714</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	44,460,729	27,409,412	71,870,141
Restricted:			
Donations and Forfeitures	18,662	-	18,662
Renewal and Replacement	385,828	-	385,828
Capital Projects	4,253,848	2,389,118	6,642,966
Unrestricted	(50,868,928)	7,791,634	(43,077,294)
Total Net Position	<u>\$ (1,749,861)</u>	<u>\$ 37,590,164</u>	<u>\$ 35,840,303</u>

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

City of Temple Terrace, Florida  
Statement of Activities  
For the Fiscal Year Ended September 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
<b>Primary Government:</b>						
<b><u>Governmental activities:</u></b>						
General government	\$ 3,502,838	\$ 4,300,664	\$ -	\$ -	\$ 797,826	\$ -
Public Safety	16,139,381	1,765,176	85,884	-	(14,288,321)	-
Culture and recreation	4,904,099	1,065,043	-	-	(3,839,056)	-
Public Works	2,230,417	100,344	-	250	(2,129,823)	-
Economic Development	24,578	-	-	195,592	171,014	-
Interest on Long Term Debt	913,958	-	-	-	(913,958)	-
Total governmental activities	27,715,271	7,231,227	85,884	195,842	(20,202,318)	-
<b><u>Business-type activities:</u></b>						
Water/Sewer utility	10,518,652	12,295,439	-	125,190	-	1,901,977
Sanitation	3,436,279	3,655,813	-	-	-	219,534
Total business-type activities	13,954,931	15,951,252	-	125,190	-	2,121,511
<b>Total primary government</b>	<b>\$ 41,670,202</b>	<b>\$ 23,182,479</b>	<b>\$ 85,884</b>	<b>\$ 321,032</b>	<b>(20,202,318)</b>	<b>(18,080,807)</b>
<b><u>General Revenues:</u></b>						
Property Taxes, Levied For General Purposes					10,263,530	-
Sales Taxes					5,580,415	-
Utility Taxes					4,005,185	-
Motor Fuel Taxes					397,436	-
Local Business Taxes					249,115	-
Grants and Contributions Not Restricted to Specific Programs					22,802	-
Unrestricted Investment Earnings					210,031	109,275
Miscellaneous					318,164	-
Total general revenues					21,046,678	109,275
Change in net position					844,360	2,230,786
Net position -beginning					(2,594,221)	35,359,378
Net position - ending					<u>\$ (1,749,861)</u>	<u>\$ 37,590,164</u>
						<u>\$ 35,840,303</u>

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



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

**CITY OF TEMPLE TERRACE, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2018**

	<b>General Fund</b>	<b>Street Improvement Fund</b>	<b>Community Investment Tax Fund</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 8,034,107	\$ 2,896,080	\$ 1,886,384
Receivables Net of Allowance for Uncollectibles:			
Accounts - Billed	17,930	-	-
Accounts - Unbilled	28,214	-	-
Interest	703	1,394	2,408
Due from Other Agencies	304,975	85,985	101,169
Other	3,052,408	885	-
Due from Other Funds	155,353	-	-
Inventories	20,054	-	-
Prepaid Items	158,398	-	-
	<u>11,772,142</u>	<u>2,984,344</u>	<u>1,989,961</u>
Total Assets	<u>\$ 11,772,142</u>	<u>\$ 2,984,344</u>	<u>\$ 1,989,961</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 200,744	\$ 104,791	\$ 616,133
Accrued Payroll	1,117,093	-	-
Deposits and Other Payables	23,833	-	-
Due to Other Funds	-	-	-
Unearned Revenue	166,522	-	-
Total Liabilities	<u>1,508,192</u>	<u>104,791</u>	<u>616,133</u>
<b>FUND BALANCES</b>			
Nonspendable	2,183,112	-	-
Restricted	404,490	2,879,553	1,373,828
Assigned	1,361,843	-	-
Unassigned	6,314,505	-	-
	<u>10,263,950</u>	<u>2,879,553</u>	<u>1,373,828</u>
Total Fund Balances	<u>10,263,950</u>	<u>2,879,553</u>	<u>1,373,828</u>
Total Liabilities and Fund Balances	<u>\$ 11,772,142</u>	<u>\$ 2,984,344</u>	<u>\$ 1,989,961</u>

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



<b>Tax Increment Financing Fund</b>	<b>Insurance Premium Tax Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
\$ 467	\$ -	\$ 214,476	\$ 13,031,514
-	-	-	17,930
-	-	-	28,214
-	-	-	4,505
-	349,691	-	841,820
-	-	-	3,053,293
-	-	-	155,353
-	-	-	20,054
-	-	-	158,398
<u>\$ 467</u>	<u>\$ 349,691</u>	<u>\$ 214,476</u>	<u>\$ 17,311,081</u>
\$ -	\$ 194,338	\$ 214,476	\$ 1,330,482
-	-	-	1,117,093
-	-	-	23,833
-	155,353	-	155,353
-	-	-	166,522
<u>-</u>	<u>349,691</u>	<u>214,476</u>	<u>2,793,283</u>
-	-	-	2,183,112
467	-	-	4,658,338
-	-	-	-
-	-	-	1,361,843
-	-	-	6,314,505
<u>467</u>	<u>-</u>	<u>-</u>	<u>14,517,798</u>
<u>\$ 467</u>	<u>\$ 349,691</u>	<u>\$ 214,476</u>	<u>\$ 17,311,081</u>



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

**CITY OF TEMPLE TERRACE, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2018**

Total fund balances - governmental funds		\$ 14,517,798
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 82,686,946	
Less accumulated depreciation	<u>(35,956,789)</u>	
Net governmental capital assets		46,730,157
The net pension liability is not due and payable in current period and, therefore, is not reported in the governmental funds.		(30,091,792)
Deferred Outflows/Inflows of resources reported in the statement of net position:		
Net deferred outflows-OPEB	584,646	
Net deferred inflows-OPEB	(765,486)	
Net deferred outflows-pensions	2,567,576	
Net deferred inflows-pensions	<u>(2,247,890)</u>	138,846
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Revenue notes payable	(25,716,412)	
Compensated absences	(858,659)	
Other Post Employment Benefits	<u>(6,229,535)</u>	
Total governmental long-term liabilities		(32,804,606)
Internal service funds are used by management to charge the cost of fleet maintenance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>(240,264)</u>
Net position of governmental activities		<u><u>\$ (1,749,861)</u></u>
<i>The notes to the financial statements are an integral part of the financial statements.</i>		

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended September 30, 2018**

	<b>General Fund</b>	<b>Street Improvement Fund</b>	<b>Community Investment Tax Fund</b>
<b>REVENUES</b>			
Taxes	\$ 14,517,830	\$ 788,415	\$ 1,298,257
Licenses and Permits	501,501	-	-
Franchise Fees	1,980,430	-	-
Intergovernmental	3,568,520	397,436	-
Charges for Services	4,258,697	-	-
Fines and Forfeitures	220,566	-	-
Investment Earnings (Loss)	141,590	43,152	25,288
Contributions and Donations	118,202	251	-
Other	179,809	-	-
Total Revenues	<u>25,487,145</u>	<u>1,229,254</u>	<u>1,323,545</u>
<b>EXPENDITURES</b>			
Current:			
General Government:			
Legislative	324,192	-	-
Legal	256,467	-	-
Executive	1,632,737	-	-
Finance	450,379	-	-
Community Development	431,747	-	-
Code Enforcement	293,115	-	-
Economic Development	31,012	-	-
Non-Departmental	916,955	-	-
Total General Government	<u>4,336,604</u>	<u>-</u>	<u>-</u>
Public Safety:			
Police	7,473,043	-	26,068
Fire	6,962,991	-	5,218
Total Public Safety	<u>14,436,034</u>	<u>-</u>	<u>31,286</u>
Cultural and Recreation:			
Library	664,936	-	-
Parks and Recreation	2,948,521	-	3,023
Total Cultural and Recreation	<u>3,613,457</u>	<u>-</u>	<u>3,023</u>
Public Works:			
Public Works Administrative	486,636	-	-
Streets	227,301	676,695	-
Engineering	-	53,875	-
Total Public Works	<u>713,937</u>	<u>730,570</u>	<u>-</u>
Capital Outlay	<u>250,270</u>	<u>264,912</u>	<u>1,191,103</u>
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Other Debt Service Costs	-	-	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>23,350,302</u>	<u>995,482</u>	<u>1,225,412</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,136,843</u>	<u>233,772</u>	<u>98,133</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	(1,561,320)	-	-
Proceeds from Issuance of Debt	-	-	-
Proceeds from the Sale of Capital Assets	69,204	-	-
Total Other Financing Sources (Uses)	<u>(1,492,116)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	644,727	233,772	98,133
Fund Balances (Deficit), Beginning	<u>9,619,223</u>	<u>2,645,781</u>	<u>1,275,695</u>
Fund Balances, Ending	<u>\$ 10,263,950</u>	<u>\$ 2,879,553</u>	<u>\$ 1,373,828</u>

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

<b>Tax Increment Financing Fund</b>	<b>Insurance Premium Tax Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 16,604,502
-	-	-	501,501
-	-	-	1,980,430
100,792	349,691	-	4,416,439
-	-	-	4,258,697
-	-	-	220,566
-	-	-	210,030
-	-	-	118,453
-	-	-	179,809
100,792	349,691	-	28,490,427
-	-	-	324,192
-	-	-	256,467
-	-	-	1,632,737
-	-	-	450,379
-	-	-	431,747
-	-	-	293,115
-	-	-	31,012
-	-	-	916,955
-	-	-	4,336,604
-	194,338	-	7,693,449
-	155,353	-	7,123,562
-	349,691	-	14,817,011
-	-	-	664,936
-	-	-	2,951,544
-	-	-	3,616,480
-	-	-	486,636
-	-	-	903,996
-	-	-	53,875
-	-	-	1,444,507
-	-	-	1,706,285
-	-	24,104,621	24,104,621
-	-	815,630	815,630
-	-	98,328	98,328
-	-	25,018,579	25,018,579
-	349,691	25,018,579	50,939,466
100,792	-	(25,018,579)	(22,449,039)
117,712	-	1,662,112	1,779,824
(218,504)	-	-	(1,779,824)
-	-	23,645,000	23,645,000
-	-	-	69,204
(100,792)	-	25,307,112	23,714,204
-	-	288,533	1,265,165
467	-	(288,533)	13,252,633
\$ 467	\$ -	\$ -	\$ 14,517,798

**CITY OF TEMPLE TERRACE, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2018**

Net change in fund balances - total governmental funds \$ 1,265,165

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Expenditures for capital assets	\$ 1,586,593	
Less current year depreciation	(2,192,108)	
Net governmental capital assets	(605,515)	(605,515)

In the statement of activities, only the gain on the sale of capital assets is reported.

However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the capital assets sold. (4,948)

Bond proceeds provide current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Governmental funds report the debt issuance.

Debt issued	(23,645,000)	
Principal payments	24,104,621	459,621

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	124,120	
Change in net OPEB obligation	223,216	
Change in pension related amounts	(368,898)	
Total other expenses		(21,562)

The internal service fund is used by management to charge the costs of fleet maintenance to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

	(248,401)	
Change in net position of governmental activities	\$ 844,360	

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Fiscal Year Ended September 30, 2018**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 9,891,328	\$ 9,891,328	\$ 10,263,530	\$ 372,202
Utility	3,730,000	3,730,000	4,005,185	275,185
Local Business Tax	250,000	250,000	249,115	(885)
Licenses and Permits	600,000	600,000	501,501	(98,499)
Franchise Fees	2,026,000	2,026,000	1,980,430	(45,570)
Intergovernmental	4,023,847	4,023,847	3,568,520	(455,327)
Charges for Services	4,669,816	4,669,816	4,258,697	(411,119)
Fines and Forfeitures	135,250	135,250	220,566	85,316
Investment Earnings	22,000	22,000	141,590	119,590
Contributions and Donations	42,385	42,385	118,202	75,817
Other	607,300	607,300	179,809	(427,491)
Total Revenues	25,997,926	25,997,926	25,487,145	(510,781)
EXPENDITURES				
Current:				
General Government:				
Legislative	341,378	340,005	324,192	15,813
Legal	284,859	284,777	256,467	28,310
Executive	458,430	457,411	429,585	27,826
Human Resources	579,696	588,727	546,864	41,863
Information Technology	652,209	652,311	656,288	(3,977)
Finance	550,937	588,981	450,379	138,602
Community Development	604,099	604,099	431,747	172,352
Code Enforcement	344,633	344,673	293,115	51,558
Economic Development	133,086	133,086	31,012	102,074
Non-Departmental	401,769	405,269	916,955	(511,686)
Total General Government	4,351,096	4,399,339	4,336,604	62,735
Public Safety:				
Police	8,457,731	8,339,388	7,473,043	866,345
Fire	6,310,775	6,522,998	6,962,991	(439,993)
Total Public Safety	14,768,506	14,862,386	14,436,034	426,352
Cultural and Recreation:				
Library	725,525	740,300	664,936	75,364
Parks and Recreation	3,601,497	3,511,744	2,948,521	563,223
Total Cultural and Recreation	4,327,022	4,252,044	3,613,457	638,587
Public Works:				
Public Works Administrative	799,995	741,848	486,636	255,212
Streets	181,711	240,454	227,301	13,153
Total Public Works	981,706	982,302	713,937	268,365
Capital Outlay	272,900	328,732	250,270	78,462
Total Expenditures	24,701,230	24,824,803	23,350,302	1,474,501
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,296,696	1,173,123	2,136,843	963,720
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,331,696)	(1,526,769)	(1,561,320)	(34,551)
Sale of Capital Assets	35,000	35,000	69,204	34,204
Total Other Financing Sources (Uses)	(1,296,696)	(1,491,769)	(1,492,116)	(347)
Net Change in Fund Balances	-	(318,646)	644,727	963,373
Fund Balances, Beginning	-	318,646	9,619,223	9,300,577
Fund Balances, Ending	\$ -	\$ -	\$ 10,263,950	\$ 10,263,950

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**STREET IMPROVEMENT SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Street Improvement Special Revenue Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 760,000	\$ 760,000	\$ 788,415	\$ 28,415
Intergovernmental	335,000	335,000	397,436	62,436
Investment Earnings	7,500	7,500	43,152	35,652
Contributions and Donations	75,000	75,000	251	(74,749)
<b>Total Revenues</b>	<b>1,177,500</b>	<b>1,177,500</b>	<b>1,229,254</b>	<b>51,754</b>
<b>EXPENDITURES</b>				
Current:				
Public Works:				
Street Maintenance	676,965	676,965	676,695	270
Engineering	53,875	53,875	53,875	-
Total Public Works	730,840	730,840	730,570	270
Capital Outlay	1,165,000	1,165,000	264,912	900,088
<b>Total Expenditures</b>	<b>1,895,840</b>	<b>1,895,840</b>	<b>995,482</b>	<b>900,358</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(718,340)</b>	<b>(718,340)</b>	<b>233,772</b>	<b>952,112</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Reserve for Contingency	(9,760)	(9,760)	-	(9,760)
Total Other Financing Sources (Uses)	(9,760)	(9,760)	-	(9,760)
<b>Net Change in Fund Balances</b>	<b>(728,100)</b>	<b>(728,100)</b>	<b>233,772</b>	<b>942,352</b>
Fund Balances, Beginning	728,100	728,100	2,645,781	1,917,681
Fund Balances, Ending	\$ -	\$ -	\$ 2,879,553	\$ 2,860,033

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



**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY INVESTMENT TAX SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended September 30, 2018**

	Community Investment Tax Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,298,257	\$ 48,257
Investment Earnings	10,000	10,000	25,288	15,288
Total Revenues	1,260,000	1,260,000	1,323,545	63,545
<b>EXPENDITURES</b>				
Current:				
Public Safety:				
Police	-	-	26,068	(26,068)
Fire	-	-	5,218	(5,218)
Total Public Safety	-	-	31,286	(31,286)
Cultural and Recreation:				
Parks and Recreation	-	-	3,023	(3,023)
Total Cultural and Recreation	-	-	3,023	(3,023)
Total Public Works				
Capital Outlay	1,958,578	1,958,578	1,191,103	767,475
Total Expenditures	1,958,578	1,958,578	1,225,412	733,166
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(698,578)	(698,578)	98,133	796,711
<b>Net Change in Fund Balances</b>	(698,578)	(698,578)	98,133	796,711
Fund Balances, Beginning	698,578	698,578	1,275,695	577,117
Fund Balances, Ending	\$ -	\$ -	\$ 1,373,828	\$ 1,373,828

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TAX INCREMENT FINANCING SPECIAL REVENUE FUND**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Tax Increment Financing Special Revenue Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 102,202	\$ 102,202	\$ 100,792	\$ (1,410)
Investment Earnings	-	-	-	-
Total Revenues	102,202	102,202	100,792	(1,410)
<b>EXPENDITURES</b>				
Current:				
General Government:				
Economic Development	-	-	-	-
Total General Government	-	-	-	-
Total Expenditures	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	102,202	102,202	100,792	(1,410)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	117,712	117,712	117,712	-
Transfers Out	(219,914)	(219,914)	(218,504)	1,410
Total Other Financing Sources (Uses)	(102,202)	(102,202)	(100,792)	1,410
<b>Net Change in Fund Balances</b>	-	-	-	-
Fund Balances, Beginning	-	-	467	467
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 467</u>

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



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**September 30, 2018**

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Water & Sewer Utility	Sanitation Utility	Total	
<b>ASSETS</b>				
Current assets:				
Equity in Pooled Cash and Investments	\$ 8,590,087	\$ 803,924	\$ 9,394,011	\$ -
Accounts Receivable:				
Billed (Net Allowance for Uncollectibles)	776,858	165,117	941,975	-
Unbilled	623,668	292,992	916,660	-
Interest Receivable	3,918	5,765	9,683	56
Due from Other Funds	193,204	-	193,204	-
Inventories	97,385	-	97,385	162,409
Total Current Assets	<u>10,285,120</u>	<u>1,267,798</u>	<u>11,552,918</u>	<u>162,465</u>
Noncurrent Assets:				
Restricted Cash, Cash Equivalents, and Investments:				
Equity in Pooled Cash and Investments	2,389,118	-	2,389,118	-
Capital Assets:				
Land	2,417,358	-	2,417,358	-
Construction in Progress	199,870	-	199,870	-
Buildings	2,957,487	77,359	3,034,846	-
Machinery, Equipment, and Vehicles	3,314,517	3,838,644	7,153,161	170,864
Infrastructure	44,622,529	-	44,622,529	-
Less Accumulated Depreciation	<u>(27,185,635)</u>	<u>(2,832,717)</u>	<u>(30,018,352)</u>	<u>(170,292)</u>
Net Capital Assets	<u>26,326,126</u>	<u>1,083,286</u>	<u>27,409,412</u>	<u>572</u>
Total Noncurrent Assets	<u>28,715,244</u>	<u>1,083,286</u>	<u>29,798,530</u>	<u>572</u>
Total Assets	<u>39,000,364</u>	<u>2,351,084</u>	<u>41,351,448</u>	<u>163,037</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows - OPEB Related	69,556	29,433	98,989	11,111
Deferred Outflows - Pension Related	78,543	43,903	122,446	18,525
Total Deferred Outflows of Resources	<u>148,099</u>	<u>73,336</u>	<u>221,435</u>	<u>29,636</u>

(Continued)

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**PROPRIETARY FUNDS**  
**September 30, 2018**

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Water & Sewer Utility	Sanitation Utility	Total	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 674,113	\$ 98,567	\$ 772,680	\$ 9,721
Accrued Payroll	74,086	30,736	104,822	9,764
Due to Other Funds	-	-	-	193,204
Compensated Absences	4,406	1,312	5,718	656
Customer Deposits	1,324,774	4,940	1,329,714	-
Total Current Liabilities	<u>2,077,379</u>	<u>135,555</u>	<u>2,212,934</u>	<u>213,345</u>
Noncurrent Liabilities:				
Compensated Absences	83,711	24,932	108,643	12,456
Total OPEB Obligation	737,695	314,848	1,052,543	119,306
Net Pension Liability	226,815	126,782	353,597	53,494
Total Noncurrent Liabilities	<u>1,048,221</u>	<u>466,562</u>	<u>1,514,783</u>	<u>185,256</u>
Total Liabilities	<u>3,125,600</u>	<u>602,117</u>	<u>3,727,717</u>	<u>398,601</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows - OPEB Related	89,094	37,934	127,028	14,975
Deferred Inflows - Pension Related	82,089	45,885	127,974	19,361
Total Deferred Inflows of Resources	<u>171,183</u>	<u>83,819</u>	<u>255,002</u>	<u>34,336</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	26,326,126	1,083,286	27,409,412	572
Restricted:				
Capital Projects	2,389,118	-	2,389,118	-
Unrestricted	<u>7,136,436</u>	<u>655,198</u>	<u>7,791,634</u>	<u>(240,836)</u>
Total Net Position	<u>\$ 35,851,680</u>	<u>\$ 1,738,484</u>	<u>\$ 37,590,164</u>	<u>\$ (240,264)</u>

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended September 30, 2018**

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Fund
	Water & Sewer Utility	Sanitation Utility	Total	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 11,988,570	\$ 3,622,026	\$ 15,610,596	\$ 563,383
Water and Sewer Taps and Extensions	12,260	-	12,260	-
Recycling	-	31,191	31,191	-
Other	294,609	2,596	297,205	-
Total Operating Revenues	<u>12,295,439</u>	<u>3,655,813</u>	<u>15,951,252</u>	<u>563,383</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	1,403,441	582,450	1,985,891	189,414
Fringe Benefits and Payroll Taxes	422,316	221,969	644,285	27,976
Sewer Treatment Charges	4,208,639	-	4,208,639	-
Waste Disposal Charges	-	1,368,212	1,368,212	-
Insurance	215,852	22,154	238,006	422
Utilities and Telephone	336,137	3,000	339,137	-
Vehicle Maintenance	53,505	202,241	255,746	4,663
Fuel	52,271	141,358	193,629	5,598
Professional Services	301,438	122,291	423,729	26,380
Repairs and Maintenance	693,615	41,032	734,647	483,335
Postage and Office Supplies	44,785	622	45,407	-
Operating Supplies	310,479	30,033	340,512	6,304
Rental and Lease Costs	20,322	58,500	78,822	-
Other	27,942	752	28,694	3,421
Depreciation	1,141,657	199,072	1,340,729	428
Admin. Charges from Other Funds	1,283,960	442,593	1,726,553	63,860
Total Operating Expenses	<u>10,516,359</u>	<u>3,436,279</u>	<u>13,952,638</u>	<u>811,801</u>
Operating Income (Loss)	<u>1,779,080</u>	<u>219,534</u>	<u>1,998,614</u>	<u>(248,418)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Earnings (Loss)	100,315	8,960	109,275	17
Interest and Fiscal Charges	(2,293)	-	(2,293)	-
Total Nonoperating Revenues (Expenses)	<u>98,022</u>	<u>8,960</u>	<u>106,982</u>	<u>17</u>
Income (Loss) Before Contributions and Transfers	1,877,102	228,494	2,105,596	(248,401)
Impact Fees Paid By Customers	125,190	-	125,190	-
Change in Net Position	<u>2,002,292</u>	<u>228,494</u>	<u>2,230,786</u>	<u>(248,401)</u>
Net Position - Beginning	<u>33,849,388</u>	<u>1,509,990</u>	<u>35,359,378</u>	<u>8,137</u>
Net Position - Ending	<u>\$ 35,851,680</u>	<u>\$ 1,738,484</u>	<u>\$ 37,590,164</u>	<u>\$ (240,264)</u>

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



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended September 30, 2018

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Water &amp; Sewer Utility</b>	<b>Sanitation Utility</b>	<b>Totals</b>	
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 11,946,090	\$ 3,644,552	\$ 15,590,642	\$ 563,383
Cash Payments to Suppliers	(8,004,675)	(2,471,384)	(10,476,059)	(452,844)
Cash Payments to Employees	(1,868,735)	(797,437)	(2,666,172)	(257,171)
Net Cash Provided by (Used for) Operating Activities	<u>2,072,680</u>	<u>375,731</u>	<u>2,448,411</u>	<u>(146,632)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Interest Payments on Long-term Debt	(2,293)	-	(2,293)	-
Acquisition and Construction of Capital Assets	(542,164)	(452,648)	(994,812)	-
Impact Fees Paid by Customers	125,190	-	125,190	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(419,267)</u>	<u>(452,648)</u>	<u>(871,915)</u>	<u>-</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Repayment of Interfund Advance	-	318,645	318,645	-
Net Cash Provided by (Used for) Non - Capital Financing Activities	<u>-</u>	<u>318,645</u>	<u>318,645</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Interest and Dividends on Investments	100,315	8,960	109,275	17
Net Cash Provided by (Used for) Investing Activities	<u>100,315</u>	<u>8,960</u>	<u>109,275</u>	<u>17</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,753,728	250,688	2,004,416	(146,615)
<b>Cash and Cash Equivalents, October 1</b>	<u>9,225,477</u>	<u>553,236</u>	<u>9,778,713</u>	<u>146,615</u>
<b>Cash and Cash Equivalents, September 30</b>	<u>\$ 10,979,205</u>	<u>\$ 803,924</u>	<u>\$ 11,783,129</u>	<u>\$ -</u>
<b>Cash and Cash Equivalents at End of Year Consists of:</b>				
Equity in Pooled Cash and Investments- Current	\$ 8,590,087	\$ 803,924	\$ 9,394,011	\$ -
Equity in Pooled Cash and Investments- Restricted	2,389,118	-	2,389,118	-
Total Cash and Cash Equivalents at End of Year	<u>\$ 10,979,205</u>	<u>\$ 803,924</u>	<u>\$ 11,783,129</u>	<u>\$ -</u>

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



**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended September 30, 2018

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Water &amp; Sewer Utility</b>	<b>Sanitation Utility</b>	<b>Totals</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ 1,779,080	\$ 219,534	\$ 1,998,614	\$ (248,418)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	1,141,657	199,072	1,340,729	428
Change in Assets and Liabilities:				
(Increase) Decrease in Accts Receivable (Net)	(139,836)	(14,611)	(154,447)	-
(Increase) Decrease in Due from Other Funds	(193,204)	-	(193,204)	
(Increase) Decrease in Inventories	(14,100)	-	(14,100)	(47,549)
(Increase) Decrease in Deferred Outflow OPEB	(9,333)	(3,884)	(13,217)	(1,284)
(Increase) Decrease in Deferred Outflow Pension	10,883	(5,672)	5,211	12,421
Increase (Decrease) in Accounts Payable	(441,630)	(38,596)	(480,226)	(4,516)
Increase (Decrease) in Accrued Payroll	930	(3,585)	(2,655)	(2,373)
Increase (Decrease) in Due to Other Funds	-	-	-	193,204
Increase (Decrease) in OPEB Liability	(1,818)	(757)	(2,575)	(250)
Increase (Decrease) in Net Pension Liability	(22,586)	20,161	(2,425)	(32,811)
Increase (Decrease) in Customer Deposits	(16,309)	3,350	(12,959)	-
Increase (Decrease) in Deferred Inflow OPEB	(17,069)	(7,104)	(24,173)	(2,349)
Increase (Decrease) in Deferred Inflow Pension	7,540	14,015	21,555	(6,437)
Increase (Decrease) in Compensated Absences	(11,525)	(6,192)	(17,717)	(6,698)
Total Adjustments	293,600	156,197	449,797	101,786
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,072,680</u>	<u>\$ 375,731</u>	<u>\$ 2,448,411</u>	<u>\$ (146,632)</u>

**Noncash Investing, Capital, and Financing Activities:**  
None

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**September 30, 2018**

	<b>Total Employee Retirement Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	
Money Market	\$ 1,460,866
Total Cash and Cash Equivalents	<u>1,460,866</u>
Receivables	
Employer Contribution	404,159
Investment Income	77,991
State Receivable	194,338
Total Receivables	<u>676,488</u>
Investments, at Fair Value	
U.S. Treasury Obligations and Agency Securities	8,366,333
Corporate Bonds	2,050,781
Common Stocks and Mutual Funds	34,290,296
Other - Pooled/Commingled Funds	7,556,160
Total Investments	<u>52,263,570</u>
Total Assets	<u>54,400,924</u>
<b>LIABILITIES</b>	
Payables	
Investment Expenses	7,395
Administrative and Other	6,550
Total Payables	<u>13,945</u>
Total Liabilities	<u>13,945</u>
<b>NET POSITION</b>	
Restricted for Pensions	<u>\$ 54,386,979</u>

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

**CITY OF TEMPLE TERRACE, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**For the Fiscal Year Ended September 30, 2018**

	<b>Total Employee Retirement Funds</b>
<b>ADDITIONS</b>	
Contributions	
State Tax on Insurance Premiums	\$ 349,692
Contributions - Employer	3,652,514
Contributions - Employee	663,095
Employee Buy-Back	25,724
Total Contributions	<u>4,691,025</u>
Investment Income	
Net Appreciation in Fair Value of Investments	4,393,311
Interest	966,024
Total Investment Income	5,359,335
Investment Expense	<u>(294,590)</u>
Net Investment Income	<u>5,064,745</u>
Total Additions	<u>9,755,770</u>
<b>Deductions</b>	
Pension Benefits	4,141,339
Termination Refunds	274,292
Administrative Expense	96,885
Total Deductions	<u>4,512,516</u>
Change in Net Position	5,243,254
Net Position-Beginning	<u>49,143,725</u>
Net Position-Ending	<u><u>\$ 54,386,979</u></u>

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

The City, incorporated on May 28, 1925, is a Florida municipality governed by the Mayor and five council members, all elected at-large. The City is located on the west coast of the State of Florida in the Tampa Bay Area, and operates under a Charter adopted on May 5, 1978, which provides for Council/Manager form of government. As required by Generally Accepted Accounting Principles, the financial statements of the reporting entity include those of the City (the primary government) and its component units, entities for which the City is considered to be financially accountable.

The financial reporting entity consists of the following:

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

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

**Blended Component Units**

On December 16, 2003, by Resolution Number 168-03, the City established Temple Terrace Redevelopment Agency (TTRA) as a component unit of the City pursuant to Section 163.512, Florida Statutes. Although legally separate, the TTRA provides all its services entirely to the City and the TTRA Board is comprised wholly of the City Councilmembers. Management of the City has operational responsibility for the TTRA and manages the activities in essentially the same manner in which it manages its own programs and departments. Separate financial statements are not issued for TTRA. Fiscal year 2006 was the first year TTRA realized any financial activity. The information associated with this Tax Increment Financing Fund is reflected as a major governmental fund in the City's CAFR.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**B. BASIS OF PRESENTATION**

***Government-Wide Financial Statements:***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension plan participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

***Fund Financial Statements:***

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. The Proprietary Funds include Enterprise Funds for utility operations and Internal Service Funds for services within the City on a cost reimbursement basis. The two Fiduciary Funds are not included in the government-wide statements and are summarized as basic financial statements.

**1. Governmental Funds:** The City recognizes the following major governmental funds:

- a) **General Fund** - is the general operating fund of the City. It accounts for all financial resources not accounted for or reported in another fund.
- b) **Street Improvement Special Revenue Fund** - accounts for the proceeds of various intergovernmental gas tax revenues that are restricted to expenditure for specified purposes. The funds are generally used for items that are capital in nature but can be used for street maintenance.
- c) **Community Investment Special Revenue Fund** - accounts for the proceeds from the half-cent sales tax revenues that are restricted to expenditure for specified purposes. The funds are generally used for capital items but can be used for public safety equipment that may or may not meet the capitalization threshold.
- d) **The Tax Increment Financing Special Revenue Fund** - accounts for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes associated with the Temple Terrace Redevelopment Area.
- e) **The Insurance Premium Tax Fund** – accounts for excise tax imposed on homeowners' insurance premiums collected by the State of Florida to help fund contributions to Firefighters' and Police Pension plans.
- f) **Debt Service Fund** - accounts for resources that are restricted, committed, or assigned to expenditure for principal and interest.

**2. Proprietary Funds:** The City recognizes the following major proprietary funds:

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

**3. Additionally, the City reports the following fund types:**

- a) **Internal Service Funds** - account for the financing of goods and services provided by one department to other departments of the governmental unit on a cost-reimbursement basis. The City reports fleet maintenance as internal services.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

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

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

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

**1. Modified Accrual:** Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Property taxes, intergovernmental revenues, franchise fees, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

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

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

**3. Proprietary Funds:** Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services, while operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**4. Accounting Pronouncements (GASB Statement No. 75):** GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions (OPEB), issued in June 2015, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and parallels the pension standards issued in GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 75 details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meets specific criteria, and for employers whose employees are provided with defined contribution OPEB. For OPEB that is administered through trust, GASB Statement No. 75 requires the liability of employers to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The City early implemented this statement during fiscal 2017.

**D. BUDGETARY DATA**

**1. Budget Policy:** The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) Not later than 45 days prior to the end of the fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Two public hearings are conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally enacted through passage of an ordinance and resolution, unless an extension of time is authorized by the State legislature.
- d) The City Manager or Finance Director is authorized to transfer any unencumbered appropriation balance or portion thereof between departments and programs within a fund, and appropriate donated expenditures based on the request of donor. The City Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one fund to another.
- e) The City Council adopts the Budget Ordinance for all operating funds of the City except for Trust and Agency Funds. Budgets of the General, Special Revenue, and Debt Service, funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). The insurance premium tax fund is not budgeted. Expenditures may not legally exceed appropriations for each fund.
- f) The key dates affecting the annual budget for the fiscal year ended September 30, 2018, were as follows:

City Council Budget Work Session

March 18 June 20, July 18, July 21, August 1, August 14, August 28, September 1, 2018

City Manager recommended budget to City Council  
First public hearing and adoption of tentative millage rate  
Second public hearing and adoption of millage rate  
Beginning of fiscal year for which taxes were levied

June 21, 2018  
September 5, 2018  
September 19, 2018  
October 1, 2018

All budget amounts presented in the accompanying financial statements and supplemental information have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations and encumbrances, lapse at the end of each fiscal year.



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**E. ASSETS, LIABILITIES AND FUND EQUITY**

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

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

**2. Receivables:** Accounts receivables are recorded in the General, Special Revenue and Enterprise fund types. Property taxes, which were levied during fiscal year 2018, and are uncollected as of September 30, 2018, are immaterial and therefore not recorded as receivable.

There are allowances for uncollectable accounts over 365 days past due for EMS billing. The allowance for uncollectable accounts for utility billing is recorded as the average amount that was expensed as uncollectable over the past two years.

**3. Inventories:** All City inventories are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of general office and maintenance supplies. Inventories included in the Water and Sewer Utility Fund consists of maintenance parts. Inventories included in the Fleet Maintenance Fund consist of maintenance parts held for consumption. Inventories are stated at average cost, with quantities based on a physical count completed annually.

**4. Restricted Assets:** Certain proceeds of the City's enterprise fund, related to water and sewer improvement fees, are shown as restricted assets. These amounts are restricted for costs related to expansion of the physical plant.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**5. Capital Assets and Depreciation:** Capital assets, which include property, plant, equipment, and infrastructure assets such as, roads, bridges, and sidewalks, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of one year. Such assets are recorded at historical cost, including all infrastructure assets as required by GASB 34. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	30-50 years
Improvements other than buildings	30-50 years
Equipment	5-10 years
Vehicles	5-10 years
Infrastructure, including transportation	30-50 years

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

**6. Equity Classifications:**

***Government-wide Statements***

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

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. Restrictions include debt service, renewal and replacement, and capital projects. Earnings on restricted assets are included in net income of the statement of activities. Increases in restricted assets result in a decrease to unrestricted net position.
- c) Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Fund Statements**

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

- a) **Nonspendable** - amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, inventories, or long-term notes receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. For the fiscal year ended September 30, 2018, nonspendable fund balance in the General Fund totaled \$2,183,112. This balance consisted of \$20,054 of supplies inventory, \$158,398 of prepaid items, and \$2,004,660 representing a long-term loan initiated in 2005.
- b) **Restricted** - amounts that can be spent only for specific purposes stipulated by (a) external resource providers, such as creditors, grantors, contributors, or laws or regulations of other governmental entities; or (b) imposed by law through constitutional provisions or enabling legislation that creates the revenue source and restricts its use. The detail is seen below:

<u>General Fund</u>	
Randy Mann Scholarship Funds	\$ 6,388
Donations – Knox Box Program	544
Police Contraband & Forfeitures	11,730
911 Funding	269,750
Tree Impact Fees	116,078
Total General Fund	<u>404,490</u>
Street Improvements	2,879,553
CIT – Public Safety, Arts Education Center	1,373,828
Community Redevelopment (TIF)	467
Total Restricted Fund Balances	<u>\$ 4,658,338</u>

- c) **Committed** - amounts that can be used only for the specific purposes determined by formal action (resolution) of the City Council, the City's highest level of decision-making authority. Commitments are binding unless removed by the City Council's formal action. Any formal action should occur prior to the end of the fiscal year. There was \$0 committed fund balance at September 30, 2018.
- d) **Assigned** - amounts established by the City Manager or Finance Director intended to be used for specific purposes that are not restricted or committed. Below are the assigned amounts:

<u>Assigned</u>	
Encumbrances	\$1,361,843

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

- e) **Unassigned** - the remaining portion of fund balance that does not fall into another category; positive unassigned fund balance applies to the General Fund only. Governmental funds, other than the General Fund, may reflect negative unassigned fund balance if expenditures exceed amounts that are restricted, committed or assigned to those purposes. The City's fund balance policy states that the General Fund shall strive to maintain an unassigned fund balance of 16.7% of operating expenditures.

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

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

- a) **Capital Projects** - indicates that portion of net position attributable to water and sewer improvement fees, which are restricted for costs related to physical plant expansion. The Statement of Net Position includes \$2,389,118 restricted net position for capital projects.

## **F. REVENUES, EXPENDITURES AND EXPENSES**

**1. Revenues:** Governmental revenues are accrued unless their actual collection falls outside the availability period of 60 days, consistent with the modified accrual basis of accounting.

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

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

The tax levy of the City is established by the City Council prior to October 1 of each year and the Hillsborough County Property Appraiser incorporates the Millage into the total tax levy, which includes the municipality, county, independent districts, and the County School Board tax requirements. State Statutes permit cities to levy at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable property value). The Millage rate in effect for the fiscal year ending September 30, 2018, was 6.955.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates.

- b) **Impact Fees** - Impact Fees recorded in the General Fund are levied per individual agreements with developers and are not subject to refund; therefore, the revenue is recognized when received.
- c) **Tap Fees** - Tap fees are reported as revenue only to the extent that the amount equals the cost of physical connection to the system. Since fees were not generated in excess of the cost to connect, no addition to contributed capital is required.

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

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

**3. Interfund Transfers:** Transfers are used to:

- a) Move \$117,712 from the General Fund, which is required to collect taxes, to the Tax Increment Financing Fund, which is required to expend them,
- b) Move receipts totaling \$1,662,112 allocated to meet debt service requirements from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

Below is a summary of interfund transfer activity:

Fund Transfer Out	Fund Transfers In		
	Tax Increment Financing	Debt Service	Total
General	\$117,712	\$1,443,608	1,561,320
Tax Increment Financing	-	218,504	218,504
Totals	<u>\$117,712</u>	<u>1,662,112</u>	<u>\$1,779,824</u>

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

**5. Compensated Absences:** Regular permanent, full-time and part-time employees accrue a paid vacation period of ten days for one to four years of service. With five through fifteen years of service, employees receive fifteen days of paid vacation annually and thereafter twenty days. Exempt employees

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

receive an additional five days per year until total vacation accrual reaches the maximum of twenty days per year. The City permits employees to accumulate unused vacation and carry it over from one year to the next; however, not more than 450 hours of accrued vacation time may be carried over. Sick Leave for Firefighters is accumulated at the rate of .0533 and for other permanent employees at the rate of .0462 per hour worked until the date of separation from City employment. Annually any unused sick leave over 112 hours for Firefighters, 120 hours for Police officers, and 80 hours for other employees is converted to vacation time on a one-for-one basis. This conversion of sick leave to vacation is done at the employee's option. Any unconverted sick leave at the date of separation from City employment services is forfeited. That portion of sick leave subject to accrual at September 30, 2018, is not material and has not been reflected in the accompanying financial statements.

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

**G. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the City's statement of net position represent differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, relating to the City's defined benefit pension plans. The City also has deferred outflows of resources related to the OPEB Plan. These amounts will be recognized as expenses in future years.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the City's statement of net position represent the difference between expected and actual economic experience and changes in the proportion and differences between the City's contributions and proportionate share of contributions relating to the City's defined benefit pension plans. The City also has deferred outflows of resources related to the OPEB Plan. These amounts will be recognized as reductions in expenses in future years.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. MATERIAL VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

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

**B. DEFICIT FUND BALANCE OR NET POSITION OF INDIVIDUAL FUNDS**

The Internal Service Fund has a deficit fund balance of (\$240,264) at September 30, 2018. This deficit is primarily the result of increased repair and maintenance costs for the City's Fleet operations. Internal charges to the various City departments will be adjusted in future years to recoup this expense.

**C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

There are no funds with expenditures that exceeded budgeted appropriations.

**NOTE III - DETAIL NOTES - ALL FUNDS**

**A. ASSETS**

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

Florida Statutes 218.415 authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the United States Government and certain instruments guaranteed by the U.S. Government. Investments may include repurchase agreements. The Statutes also require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance.

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

- a) **Deposits and Investments - General Operating Accounts:** As of September 30, 2018, the carrying amount of the City's deposits with financial institutions was \$2,959,260 and the total of the book balances was \$2,009,214. A portion of the balance (\$250,000) for each of the banks the City holds funds in is covered by Federal Depository Insurance Corporation. The remaining balance was collateralized pursuant to Chapter 280, Florida Statutes, which obligates all participating institutions to reimburse the governmental entity for the loss, in the event of default by a participating financial institution (a qualified public depository). On the Statement of Net position, cash and cash equivalents includes the petty cash funds held in the General Fund and in the Water and Sewer Utility Fund totaling \$2,114.

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

At September 30, 2018, the City had \$12,923,635 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool. This investment balance was entirely comprised of Florida PRIME, whose investment policy is to manage the weighted average maturity

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

to 60 days or less. At September 30, 2018, the City also had \$1,841,400 invested in the Florida Surplus Asset Fund Trust ("FL SAFE"), whose primary objective is to provide safety, liquidity, transparency, and yield for Florida government entities.

Florida PRIME and FL SAFE are 2a-7-like pools. A 2a-7-like pool is not registered with the Securities and Exchange Commission (SEC) as an investment company but has a policy that it operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which regulates money market funds. Therefore, Florida PRIME and FL SAFE operate essentially as a money market fund and the City's position in Florida PRIME and FL SAFE is measured at amortized cost. Florida PRIME and FL SAFE are rated by Standard & Poor's with a current rating of AAAM.

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

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

At September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within Florida PRIME and FL SAFE.

**Custodial risk** - Custodial credit risk is the risk that a government will not be able to recover deposits or the value of investments in the event of the failure of a depository financial institution or a third party holding the investment securities. Branch Bank & Trust had demand deposits of \$2,009,214 in a checking account, Regions held \$64 in a money market account, Republic Bank held \$100,986 in a money market account, PNC National Bank held \$2,286,407 in a money market account, and \$4,985,419 was held in a money market account with Salem Trust. Demand deposits are fully insured by the Federal Depository Insurance Corporation and the multiple financial institution collateral pool, required by Sections 280.07 and 280.08, Florida Statutes. The City has U.S. government agencies held by Salem Trust in the City's name under a third-party safekeeping arrangement.

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

**Concentration of credit risk** - Concentration of credit risk is the risk of loss attributable to the quantity of investments in a single issuer. To limit concentration of credit risk, the City's investment policy requires diversification of the portfolio with maximum limits on what can be invested per investment type. Of the total \$24,812,811 available to invest, \$680,704 or 3% was invested in U.S. government agencies, which are limited to 75% of the portfolio. The investment policy requires that each individual government security issued cannot be more than 5% of the City's total assets. Other investment types, excluding cash in bank,



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

have individual authority of 25%, except for the Florida Prime which can represent 50% of the portfolio balance. At the time of purchase each individual issue complied with the policy based on the amount of investable cash at the time.

Investment Type	Credit Rating	Fair Value	Percentage of Total Pooled Investments
Government National Mortgage Assoc	AA+	\$ 258,534	1.0%
Federal National Mortgage Assoc	AA+	298,185	1.2%
Federal Home Loan Mortgage Corp	AA+	123,985	.5%
Local Government Investment Pools	AAAm	14,749,735	59.5%
Money Market Accounts	No rating	2,286,471	9.2%
Money Market Fund	AAAm	5,086,405	20.5%
Bank Deposits	No rating	2,009,496	8.1%
		<u>\$24,812,811</u>	

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

- b) **Deposits and Investments - Pension Trust Funds:** The City's Pension Trust Funds maintained cash and investment balances of \$53,724,436 as of September 30, 2018, all of which is with fiscal agents. The Pension Fund Investment Policy, as mandated by City Ordinance, permits the investment of Police and Fire Pension Fund assets in stocks and bonds of publicly held companies provided no investment in any one stock exceeds five percent of the total equity portfolio at the time of purchase. In addition, the policy limits the aggregate of all investments in common stocks and convertible bonds to 70% of the total plan assets at market, separately for the Fire Pension and Police Pension Trust. Real estate pooled investments cannot exceed ten percent of plan assets at cost.

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

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

The equities of the pension funds must be traded on a national exchange or electronic network. The corporate bonds in the pension trust funds were rated at least A3 by Moody's Investor Services and BBB+ by Standard and Poor's. The average credit quality of the portfolio by Moody's is A3 while S&P average is AA and the percent of the portfolio that has a AAA with Moody's or an AA+ by S&P is roughly 72.8% for fire and 72.3% for police.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

Of the total \$27,023,641 police pension fund cash and investments, \$667,375 or 2.47% was invested in cash and cash equivalents. Common stock securities total \$12,478,640 or 47.3%, which are limited to 70% of the portfolio. Real estate investments are \$3,764,103 or 14.3% of total plan assets.

Police Pension Plan			Percentage of
<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Total Pooled Investments</u>
U.S. Treasury Bonds, Notes & Bills	AAA	\$ 3,762,106	14.3%
Federal agency guaranteed securities	AAA	479,940	1.8%
Corporate Bonds	A-	1,118,298	4.2%
Common Stocks	No rating	12,478,640	47.3%
Mutual Funds	No rating	4,753,178	18.0%
Pooled/Comingled Funds	No rating	3,764,103	14.3%
Total		<u>\$26,356,265</u>	

The Firefighter Pension Plan investment policy also requires that investments in corporate common stock and convertible bonds shall not exceed 70% of the Plan assets at market. Real estate investments cannot exceed 15% of Plan assets at cost<sup>1</sup>. In addition, not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company. The value of bonds issued by any single corporation shall not exceed 3% of the total fund. Of the total \$26,700,795 fire pension fund cash and investments, \$793,491 or 2.98% was invested in cash and cash equivalents. Common stock securities total \$9,188,690 or 34.41%. Real estate investments are \$3,792,056 or 14.20%.

Fire Pension Plan			Percentage of
<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Total Pooled Investments</u>
U.S. Treasury Bonds, Notes & Bills	AAA	\$3,757,714	14.5%
Federal agency guaranteed securities	AAA	366,573	1.4%
Corporate Bonds	A-	932,483	3.6%
Common Stocks	No rating	9,188,690	35.5%
Mutual Funds	No rating	7,869,787	30.4%
Pooled/Comingled Funds	No rating	3,792,056	14.6%
Total		<u>\$25,907,303</u>	

<sup>\*</sup> Real Estate investments previously were limited to not exceeding 10% of Plan assets at cost. This was amended to 15% in a new Investment Policy Statement, adopted on 8-10-17.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Interest rate risk** - The City's pension trust fund does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The performance of the police and fire pension funds is measured against various nationally recognized benchmarks depending on the category. As of September 30, 2018, the average duration of the funds is 5.3 years for police and fire.

The statements on the following pages reflect the financial position of the pooled investments at September 30, 2018.

**ASSETS**

Petty cash - all funds	\$ 2,114
Branch Bank & Trust Bank operating account	2,009,214
Regions/Republic Bank money market account	101,050
Florida SAFE	1,841,400
Florida Prime	12,923,635
Goldman Sachs money market fund	4,985,419
PNC Bank money market account	2,286,407
U.S. government & agency securities	680,704
Adjustment for interest accrual	(15,300)
Subtotal City cash and investments	<u>24,814,643</u>
 Pension Trust Funds	
Cash and cash equivalents	1,460,866
U.S. Government bonds/notes	7,519,820
Federal agency guaranteed securities	846,513
Corporate bonds	2,050,781
Common stocks	21,667,330
Mutual Funds	12,622,966
Pooled/Common/Commingled Funds	7,556,160
Subtotal pension assets	<u>53,724,436</u>
 Total assets	 <u><u>\$ 78,539,079</u></u>

**Cash and Investments - Primary Government and  
Fiduciary Funds**

Pooled cash and investments - primary government	\$ 24,814,643
Police Officers' Retirement Plan	27,023,641
Firefighters' Retirement Fund	<u>26,700,795</u>
Total	<u><u>\$ 78,539,079</u></u>

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

The City had the following recurring fair value measurements comprised of investments as of September 30, 2018:

	Fair Value	2018		
		Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
U.S. Government Obligations and Federal Agency Securities	\$ 680,704	\$ —	\$ 680,704	\$ —
<b>Cash Equivalents Measured at Amortized Cost</b>				
Money Market Mutual Fund	5,086,469			
Money Market Accounts	2,286,407			
Local Government Investment Pools (LGIP)	14,765,035			
Total Cash Equivalents and Investments	<u>\$ 22,122,611</u>			

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

The police pension plan had the following recurring fair value measurements comprised of investments as of September 30, 2018:

	Fair Value	2018 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investment by Fair Value Level</b>				
U.S. Government Obligations	\$ 3,762,106	\$ -	\$ 3,762,106	\$ -
Federal Agency Securities	479,940	-	479,940	-
Corporate Bonds	1,118,298	-	1,118,298	-
Stocks	12,478,640	12,478,640	-	-
Mutual Funds:				
Fixed Income	1,131,346	1,131,346	-	-
Equity	3,621,832	3,621,832	-	-
	<u>22,592,162</u>	<u>17,231,818</u>	<u>5,360,344</u>	<u>-</u>
 <b>Investments Measured at Net Asset Value (NAV)</b>				
Pooled/Common/Commingled Funds:				
Real Estate Commingled Fund	<u>3,764,104</u>			
 <b>Cash Equivalents Measured at Amortized Cost</b>				
Money Market Funds	<u>667,375</u>			
Total Cash Equivalents and Investments	<u>\$ 27,023,641</u>			

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

The firefighter pension plan had the following recurring fair value measurements comprised of investments as of September 30, 2018:

<b>2018</b>			
<b>Fair Value Measurements Using</b>			
	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1)	Significant Observable Inputs (Level 2)
<b>Investment by Fair Value Level</b>			
U.S. Government Obligations	\$ 3,757,714	\$ -	\$ 3,757,714
Federal Agency Securities	366,573	-	366,573
Corporate Bonds	932,483	-	932,483
Stocks	9,188,690	9,188,690	-
Mutual Funds:			
Fixed Income	1,182,972	1,182,971	-
Equity	6,686,816	6,686,816	-
<b>Total</b>	<b>22,115,248</b>	<b>17,058,477</b>	<b>5,056,770</b>
<b>Investments Measured at Net Asset Value (NAV)</b>			
Pooled/Common/Commingled Funds:			
Real Estate Commingled Fund	3,792,056		
<b>Total Investments Measured at the NAV</b>	<b>3,792,056</b>		
<b>Total Investments Measured at Fair Value</b>	<b>25,907,304</b>		
<b>Cash Equivalents Measured at Amortized Cost</b>			
Money Market Funds	793,491		
<b>Total Cash Equivalents and Investments</b>	<b>\$ 26,700,795</b>		

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

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

	Fair Value Police Officer Pension Plan	Fair Value Firefighter Pension Plan	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled/Common/Commingled Funds:					
Real Estate Commingled Funds	3,764,104	3,792,056		Quarterly	Daily
<b>Total Investments Measured at the NAV</b>	<b>\$ 3,764,104</b>	<b>\$ 3,792,056</b>			

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

*Real Estate Funds*

The American Core Realty Fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The Fund invests primarily in core institutional quality industrial, multi-family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

The investment objectives of the U.S. Real Estate Investment Fund are to invest in a pool of real estate assets that are diversified by geography and property type with a focus on yield-driven investment and, to a lesser extent, on value-added investments. The manager of the fund is Intercontinental Real Estate Corporation.

*International Equity Fund*

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

**2. Unbilled Receivable:** Water and sewer charges to customers are based on actual consumption, which is billed on a monthly cycle basis. Sanitation charges are based on user rates. As of September 30, 2018, the City recognized revenue related to estimated unbilled Water, Sewer, and Sanitation services. The combined Utility funds carries this receivable at \$916,660.

**3. Allowance for Doubtful Accounts:** Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Other allowances for doubtful accounts have been established as follows:

<b>General Fund</b>	
Miscellaneous Services	\$22,637
EMS Services	307,677
Water & Sewer Utility Fund	7,440
Sanitation Utility Fund	6,427
<b>Total</b>	<b><u>\$344,181</u></b>

**4. Property Taxes:** The City is permitted by state law to levy taxes up to 10 mills of assessed valuation. The Millage rate levied by the City for the fiscal year ended September 30, 2018 was 6.955 mills. Current tax collections for the City were approximately 92.4% of the total tax levy.

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**5. Due from Other Governments:** The following amounts were due from other governments as of September 30, 2018:

<b>Fund</b>	<b>Name of Government</b>	<b>Revenue Source</b>	<b>Amount</b>
General	Hillsborough County	Delinquent Ad Valorem Taxes	\$ 4,010
General	State of Florida	Communications Services Tax	110,420
General	State of Florida	Half-Cent Sales Tax	190,545
<b>Total General Fund</b>			<b>\$ 304,975</b>
<b>Special Revenue Funds</b>			
Street Improvement	Hillsborough County	One-Cent Gas Tax	\$ 10,972
Street Improvement	State of Florida	Local Option Gas Tax	75,013
Community Investment Tax	Hillsborough County	Half-Cent Sales Tax	101,169
Insurance Premium Tax Fund	State of Florida	Excise taxes	349,691
Total Special Revenue Funds			<b>\$ 536,845</b>
<b>Total All Funds</b>			<b>\$ 841,820</b>



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**6. Capital Assets:** The primary government's capital asset activity for the year ended September 30, 2018 was as follows:

<b><u>Governmental Activities:</u></b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 5,385,417	\$ -	\$ -	\$ 5,385,417
Construction in progress	3,221,082	795,528	(3,074,033)	942,577
Total capital assets, not being depreciated	8,606,499	795,528	(3,074,033)	6,327,994
Capital assets, being depreciated:				
Buildings and improvements	12,108,886	2,260,320	-	14,369,206
Improvements other than buildings	7,125,338	937,664	-	8,063,002
Machinery and equipment	14,649,092	516,812	(504,509)	14,661,395
Infrastructure	39,285,911	150,302	-	39,436,213
Total capital assets, being depreciated	73,169,227	3,865,098	(504,509)	76,529,816
Less accumulated depreciation for:				
Buildings and improvements	(6,583,108)	(275,593)	-	(6,858,701)
Improvements other than buildings	(2,751,186)	(142,253)	-	(2,893,439)
Machinery and equipment	(11,126,049)	(965,076)	499,561	(11,591,564)
Infrastructure	(13,973,763)	(809,614)	-	(14,783,377)
Total accumulated depreciation	(34,434,106)	(2,192,536)	499,561	(36,127,081)
Total capital assets, being depreciated, net	38,735,121	1,672,562	(4,948)	40,402,735
Governmental activities capital assets, net	\$ 47,341,620	\$ 2,468,090	\$ (3,078,981)	\$ 46,730,729

<b><u>Business-type activities:</u></b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,417,358	\$ -	\$ -	\$ 2,417,358
Construction in Progress	844,658	199,871	(844,659)	199,870
Total capital assets, not being depreciated	3,262,016	199,871	(844,659)	2,617,228
Capital assets, being depreciated:				
Buildings and improvements	2,286,589	748,257	-	3,034,846
Machinery and equipment	6,309,692	843,469	-	7,153,161
Infrastructure	44,574,658	47,871	-	44,622,529
Total capital assets, being depreciated	53,170,939	1,639,597	-	54,810,536
Less accumulated depreciation for:				
Buildings	(1,717,410)	(60,505)	-	(1,777,915)
Machinery and equipment	(4,587,842)	(384,475)	-	(4,972,317)
Infrastructure	(22,372,372)	(895,748)	-	(23,268,120)
Total accumulated depreciation	(28,677,624)	(1,340,729)	-	(30,018,352)
Total capital assets, being depreciated, net	24,493,315	298,869	-	24,792,184
Business-type activities capital assets, net	\$ 27,755,331	\$ 498,740	\$ (844,659)	\$ 27,409,412

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

**Governmental Activities:**

General Government	\$ 77,757
Public Safety	749,881
Public Works and Streets, including depreciation of general infrastructure assets	929,952
Culture and Recreation	434,518
Capital assets held by the government's Internal Service Fund are charged to the various functions based on their usage of the assets	428
Total depreciation expense - governmental activities	<u>\$ 2,192,536</u>

**Business-type Activities:**

Water Operations	\$ 673,321
Sewer Operations	468,336
Sanitation - Residential Operations	139,255
Sanitation - Roll-off Container Operations	17,220
Sanitation - Special Trash Pick-Up Operations	42,597
Total depreciation expense - business-type activities	<u>\$ 1,340,729</u>

**Construction in progress** is composed of the following:

**Government Activities:**

<u>Project Number</u>		<u>In-Progress at 9/30/18</u>
	<b><u>General Fund</u></b>	
BUDDY	Buddy Baseball Field	\$ 48,673
	<b>Total General Fund</b>	<u>48,673</u>
	<b><u>Community Investment Tax Fund</u></b>	
FRCIMP	Family Recreation Center Renovation	697,764
RIVERB	Riverhills Boardwalk Replacement	196,140
	<b>Total Community Investment Fund</b>	<u>893,904</u>
	Total governmental activities - construction in progress	<u>\$ 942,577</u>

**Business Type Activities:**

<u>Project Number</u>		<u>In-Progress at 9/30/18</u>
	<b><u>Water &amp; Sewer Utility Fund</u></b>	
	St. Augustine Water Main Relocation	\$ 81,004
	Sewer System Rebuild	24,050
	Lift Station Tree Tops Rehabilitation	18,691
	Lift Station "A" Rehabilitation	20,675
	Lift Station Telecom 1 Rehabilitation	5,723
	Force Main "D" Improvement	49,727
	<b>Total Water &amp; Sewer Utility Fund</b>	<u>199,871</u>
	Total Business-Type activities - construction in progress	<u>\$ 199,870</u>

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**1. Pension Plan Obligations:**

**Defined Benefit Plans**

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

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

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

**Summary of Significant Accounting Policies for Retirement Plans**

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

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

**Amortization of Past Service Costs.** The past service costs of the firefighters' and police officers' retirement funds are being amortized over a period of 30 years and are included in the City's yearly contributions. The City's policy is to fund pension costs accrued.

**Firefighters' Retirement**

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Contributions.** The City's contribution to the fund is determined annually by actuarial valuation. The City contribution of \$1,450,076 for 2018 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for 2018 amounted to \$155,354. The City recognized these on-behalf payments from the State as revenue and expenditure within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in Fiscal Year 2018. The State's contribution represents a portion of the 1.85% tax on all property insurance premiums collected within the City limits. Firefighters contribute 10.51% of gross salary to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminates employment prior to retirement. The City funds the cost of plan administration.

At September 30, 2018, the Firefighters' Retirement Trust Fund membership consisted of:

**FIRE**

Retirees and beneficiaries currently receiving benefits	24
Disability benefit retirees receiving benefits	5
Terminated vested employees not yet receiving benefits	2
Deferred retirement option plan (DROP) participants	1
Current employees - vested	5
Current employees - non-vested	<u>46</u>
	83

**Police Officers' Retirement**

**Plan Description.** The City's Police Officers' Retirement Trust Fund was established to conform to the Retirement Trust Fund provisions of Chapter 185 of the State of Florida Statutes, as modified by local ordinance. This is a defined benefit plan which is administered by the City of Temple Terrace Police Officers' Retirement Trust Fund Board which is made up of two police officers, the Mayor, City Manager, and a resident of the City, and covers all full-time sworn police officers. The Police Officers' Retirement Trust Fund does not issue a separate stand-alone financial report; however, GAAP financial reports for all of the pension plans are provided.

**Contributions.** The City's contribution to the fund is determined annually by actuarial valuation. The City contribution of \$2,202,438 for 2018 is reflected in the departmental expenditure section of the General Fund and recorded as revenue in the Pension Trust Fund during this period. The State of Florida's contribution to the retirement trust fund for 2018 amounted to \$194,338. The City recognized these on-behalf payments from the State as revenue and expenditure within the general fund of the governmental fund financial statements, as well as within governmental activities of the government-wide financial statements in Fiscal Year 2018. The State's contribution represents a portion of the 0.85% tax on all casualty insurance premiums collected within the City limits. Police Officers contribute 11.2% of gross and eligible earnings (merit, overtime, special pay) to the retirement trust fund. Refunds of employee contributions for non-vested members are made at the time an employee terminated employment prior to retirement. The City funds the cost of plan administration.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

At September 30, 2018, the Police Officers' Retirement Trust Fund membership consisted of:

**POLICE**

Retirees and beneficiaries currently receiving benefits	50
Disability benefit retirees receiving benefits	6
Terminated vested employees not yet receiving benefits	6
Deferred retirement option plan (DROP) participants	5
Current employees - vested	6
Current employees - non-vested	<u>30</u>
	103

**Net Pension Liability.** The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of net pension liability at September 30, 2018 are as follows:

	<u>Firefighters'</u>	<u>Police Officers'</u>
Total pension liability	\$ 35,927,242	\$ 47,888,733
Plan fiduciary net position	(26,787,484)	(27,599,493)
City's net pension liability	<u>\$ 9,139,758</u>	<u>\$ 20,289,240</u>
Plan fiduciary net position as a percentage of total pension liability	74.56%	57.63%

**Actuarial assumptions.** The total pension liability was determined by actuarial valuations as of October 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

	<u>Firefighters'</u>	<u>Police Officers'</u>
Valuation date	10/1/17 updated to 9/30/18	10/1/17 updated to 9/30/18
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial asset valuation method	4-year average market value	4-year average market value
Actuarial assumptions: Investment rate of return	7.50%	7.50%
Projected salary increases	6.50%	5.50% - 8.50%
Inflation rate assumption	2.50%	2.50%
Post Retirement COLA (beginning at age 56)	3.00%	3.00%

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females using projection Scale BB to anticipate future mortality improvements, with a five-year age set forward for impaired mortality.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

The Long-Term Expected Rate of Return on Pension Plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	Firefighters'	Police Officers'
Domestic Equity	7.50%	7.50%
International Equity	8.50%	8.50%
Fixed Income (Core)	2.50%	2.50%
Global Fixed Income	3.50%	3.50%
Real Estate	4.50%	4.50%

For the year ended September 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.89% for the Firefighters' Plan and 9.8% for the Police Officers' Plan.

The Discount Rate used to measure the Total Pension Liability was 7.50 percent. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Changes in Net Pension Liability and Related Ratios**

	Firefighters'		Police Officers'	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Total Pension Liability				
Service Cost	\$ 1,032,866	\$ 929,615	\$ 626,092	\$ 658,510
Interest	2,462,363	2,342,818	3,359,135	3,231,782
Changes in Excess State Money	-	-	-	(13,669)
Share Plan Allocation	-	-	-	-
Changes of benefit terms	-	-	-	-
Differences between Expected and Actual Experience	1,408,684	(261,617)	1,046,273	254,999
Changes of assumptions			79,720	129,219
Contributions - Buy Back	25,724	9,799	21,919	-
Benefits Payments, including Refunds of Employee Contributions	(1,602,076)	(1,457,773)	(2,813,555)	(2,274,549)
Net Change in Total Pension Liability	3,327,561	1,562,842	2,319,584	1,986,292
Total Pension Liability - Beginning	32,599,681	31,036,839	45,569,149	43,582,857
Total Pension Liability - Ending (a)	35,927,242	32,599,681	47,888,733	45,569,149
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,450,076	\$ 1,316,570	\$ 2,202,438	\$ 2,079,938
Contributions - State	155,354	153,625	194,338	181,543
Contributions - Employee	350,864	327,645	290,312	322,963
Contributions - Buy Back	25,724	9,799	21,919	-
Net Investment Income	2,600,576	2,683,463	2,464,167	2,871,553
Benefit Payments, including Refunds of Employee Contributions	(1,602,076)	(1,457,773)	(2,813,555)	(2,274,549)
Administrative Expense	(54,011)	(65,679)	(42,874)	(50,713)
Net Change in Plan Fiduciary Net Position	2,926,507	2,967,650	2,316,745	3,130,735
Total Pension Liability - Beginning	23,860,977	20,893,327	25,282,748	22,152,013
Total Pension Liability - Ending (b)	\$ 26,787,484	\$ 23,860,977	\$ 27,599,493	\$ 25,282,748
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 9,139,758</b>	<b>\$ 8,738,704</b>	<b>\$ 20,289,240</b>	<b>\$ 20,286,401</b>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.56%	73.19%	57.63%	55.48%
Covered Payroll	\$ 3,338,386	\$ 3,117,461	\$ 2,592,071	\$ 2,883,598
Net Pension Liability as a percentage of Covered Payroll	273.78%	280.31%	782.74%	703.51%

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2018:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Firefighters' Net Pension Liability	\$13,868,178	\$9,139,758	\$5,255,849
Police Officers' Net Pension Liability	\$26,562,434	\$20,289,240	\$15,185,289

For the year ended September 30, 2018 the City recognized pension expense of \$1,563,781 relating to the Firefighters' Plan. As of September 30, 2018, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Firefighters' Plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Firefighters' Plan		
Differences between expected and actual experience	\$ 1,142,200	\$ 198,741
Changes of assumptions	317,127	-
Net difference between projected and actual earnings	-	1,005,452
Total	<u>\$ 1,459,327</u>	<u>\$ 1,204,193</u>

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

<b>Fire</b>	
Year ended September 30:	
2019	\$ 280,704
2020	3,952
2021	(151,503)
2022	121,981
	<u>\$ 255,134</u>

For the year ended September 30, 2018 the City recognized pension expense of \$2,805,674 relating to the Police Officers' Plan. As of September 30, 2018, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Police Officers' Plan from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
<u>Police Officers' Plan</u>		
Differences between expected and actual experience	\$ 782,516	\$ -
Changes of assumptions	96,219	-
Net difference between projected and actual earnings	-	803,818
Total	<u>\$ 878,735</u>	<u>\$ 803,818</u>

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

<b>Police</b>	
Year ended September 30:	
2019	\$ 486,860
2020	57,540
2021	(354,785)
2022	(114,698)
	<u>\$ 74,917</u>



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

	<b>Pension Trust Funds</b>		
	<b><u>Firefighters'</u></b>	<b><u>Police Officers'</u></b>	
	<b><u>Retirement</u></b>	<b><u>Retirement</u></b>	
	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and cash equivalents:			
Money markets funds	\$ 793,491	\$ 667,375	\$ 1,460,866
Total cash and cash equivalents	<u>793,491</u>	<u>667,375</u>	<u>1,460,866</u>
Receivables:			
Additional City Contributions	59,690	344,469	404,159
State Contributions	-	194,338	194,338
Investment income	27,001	50,990	77,991
Total Receivables	<u>86,691</u>	<u>589,797</u>	<u>676,488</u>
Investments, at fair value			
U.S. Treasury Bonds, Notes and Bills	3,757,714	3,762,106	7,519,820
Federal agency guaranteed securities	366,573	479,940	846,513
Corporate bonds	932,483	1,118,298	2,050,781
Common stocks	9,188,691	12,478,640	21,667,331
Mutual funds:			
Equity	1,182,971	1,131,346	2,314,317
Fixed Income	6,686,816	3,621,832	10,308,648
Pooled/Common/Commingled Funds			
Real estate	3,792,056	3,764,104	7,556,160
Total investments	<u>25,907,304</u>	<u>26,356,266</u>	<u>52,263,570</u>
Total Assets	<u>26,787,486</u>	<u>27,613,438</u>	<u>54,400,924</u>
<b>LIABILITIES</b>			
Payables:			
Investment Expenses	-	7,395	7,395
Administrative and Other	-	6,550	6,550
Total Payables	<u>-</u>	<u>13,945</u>	<u>13,945</u>
Total Liabilities	<u>-</u>	<u>13,945</u>	<u>13,945</u>
<b>NET POSITION</b>			
Held in trust of pension benefits	<u>\$ 26,787,486</u>	<u>\$ 27,599,493</u>	<u>\$ 54,386,979</u>

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

	<u>Firefighters'</u> <u>Retirement</u> <u>Fund</u>	<u>Police Officers'</u> <u>Retirement</u> <u>Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
State tax on insurance premiums	\$ 155,354	\$ 194,338	\$ 349,692
Contributions - employer	1,450,076	2,202,438	1,652,514
Contributions - employee	350,864	290,312	641,176
Buy-back	25,724	21,919	47,643
Total contributions	<u>1,982,018</u>	<u>2,709,007</u>	<u>4,691,025</u>
Investment Income			
Net appreciation in fair value of investments	2,346,298	2,047,013	4,393,311
Interest and dividends	419,119	546,905	966,024
Total investment income	<u>2,765,417</u>	<u>2,593,918</u>	<u>5,359,335</u>
Investment Expense	<u>(164,839)</u>	<u>(129,751)</u>	<u>(294,590)</u>
Net Investment Income	2,600,578	2,464,167	5,064,745
Total additions	4,582,596	5,173,174	9,755,770
<b>DEDUCTIONS</b>			
Pension benefits	1,465,028	2,365,794	3,830,822
Termination refunds	45,467	137,244	182,711
Lump Sum D.R.O.P. distributions	91,242	310,517	401,759
Other	54,350	42,874	97,224
Total deductions	1,656,087	2,856,429	4,512,516
Change in net position	2,926,509	2,316,745	5,243,254
Net position-beginning	23,860,977	25,282,748	49,143,725
Net position-ending	<u>\$ 26,787,486</u>	<u>\$ 25,599,493</u>	<u>\$ 52,386,979</u>

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Florida Retirement System**

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

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

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

The City's pension expense totaled \$84,445 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2018.

**Florida Retirement System Pension Plan**

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

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

**Contributions.** The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were applied to employee salaries as follows: Regular—7.92% and 8.26%; Senior Management Service—22.71% and 24.06%; and DROP participants—13.26% and 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy through September 30, 2018. The City's contributions to the FRS Plan were \$71,995 for the year ended September 30, 2018.

**Pension Costs.** At September 30, 2018, the City reported a liability of \$754,600 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of FRS's participating employers.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

At June 30, 2018, the City's proportion was 0.002505288%, which was a decrease of 0.000235393% from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the City recognized pension expense of \$84,305 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 63,926	\$ 2,320
Changes in Actuarial Assumptions	246,568	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	58,302
Changes in Proportion and Differences Between Entity Contributions and Proportionate Share of Contributions	-	176,337
City Contributions Subsequent to the Measurement Date	16,499	-
Total	<u>\$ 326,993</u>	<u>\$ 236,959</u>

\$16,499 reported as deferred outflows of resources related to pensions resulting from City's contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year ended September 30:

2019	\$ 51,700
2020	24,652
2021	(28,795)
2022	10,892
2023	13,340
Thereafter	1,746
	<u>\$ 73,535</u>

*Actuarial Assumptions* - The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.60% per year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	7.00%, Net of Pension Plan Expense, Including Inflation

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study completed in 2014 for the period July 1, 2008, through June 30, 2013.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1%	2.9%
Fixed Income	18%	4.4%
Global Equity	54%	7.6%
Real Estate (Property)	11%	6.6%
Private Equity	10%	10.7%
Strategic Investments	6%	6.0%

*Discount Rate* - The discount rate used to measure the total pension liability was 7.00% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's Proportionate Share of the FRS Pension Plan Net Pension Liability	\$1,377,187	\$754,600	\$237,515

**Pension Plan Fiduciary Net Position**

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

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

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

*Benefits Provided* - For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$160 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City's contributions to the HIS Plan were \$15,910 for the year ended September 30, 2018.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

*Pension Costs* - At September 30, 2018, the City reported a liability of \$315,280 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all participating employers. At June 30, 2018, the City's proportion was 0.002978803%, which was a decrease of 0.000278193% from its proportion measured as of June 30, 2017.

For the year ended September 30, 2018, the City recognized pension expense of \$140 for its proportionate share of HIS's pension expense. In addition, the City reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ 4,827	\$ 536
Changes in Actuarial Assumptions	35,063	33,334
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	190	-
Changes in Proportion and Differences Between Entity Contributions and Proportionate Share of Contributions	-	116,385
City Contributions Subsequent to the Measurement Date	3,411	-
	<u>\$ 43,491</u>	<u>\$ 150,255</u>

\$3,411 reported as deferred outflows of resources related to pensions resulting from Council contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the Plan year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year ended September 30:

2018	\$ (18,984)
2019	(19,000)
2020	(19,243)
2021	(21,217)
2022	(22,425)
Thereafter	(9,307)
	<u>\$ (110,176)</u>



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

*Actuarial Assumptions* - The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.60% per year
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study of the FRS Plan in 2014 for the period July 1, 2008, through June 30, 2013.

*Discount Rate* - The discount rate used to measure the total pension liability was 3.87% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

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

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
City's Proportionate Share of the HIS Pension Plan Net Pension Liability	\$359,085	\$315,280	\$278,766

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2018**

**Defined Contribution Plan - 401(a) Retirement Plan**

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

Defined Contribution Plan

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

**Plan Funding.** The plan, as established by Resolution 186-95, applies to all employees, except public safety employees. The City contributes to the plan at a rate of 10% of employee salaries and wages which amount to \$541,911 for Fiscal Year 2017-18. The plan is non-contributory, which means employees are not allowed to contribute to the plan, unless the plan is amended pursuant to Section 14.05. Normal retirement age is 59. A second plan was established January 4, 1999, for the City Manager which exactly mirrors the general employee plan provisions described above except that the City Manager's plan provides immediate 100% vesting and has a contribution rate of 15%, which amounted to \$22,462 for the fiscal year. As of September 30, 2018, 125 general employees participated in the plan, along with the City Manager.

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

**Basis of Accounting.** The ICMA Retirement Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2018**

**2. Postemployment Benefit Obligations:**

**Other Postemployment Benefits**

**OPEB Plan Description.** The City provides the following health-related benefits to retirees and certain other employees: (a) The City is required by Florida Statute 112.0801 to allow retirees and certain other former employees to buy healthcare coverage at the same “group insurance rates” current employees are charged. Although retirees pay for healthcare at group rates, they are receiving a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an “implicit subsidy” for retirees. (b) The City offers a monthly flexible benefit amount (stipend) of 5% for each year of service up to the maximum of \$674 per month. The retiree must have been employed by the City for at least ten years and receive normal or early retirement benefits from his/her retirement plan. The stipend is payable to regular retired employees from ages 62 to 65 and to special risk retired employees from the age they are eligible to retire to 65. The stipend may be used to offset any medical, dental, vision, cancer indemnity, intensive care, hospital indemnity, and personal accident insurance costs. Although the implicit subsidy is the result of state law when healthcare is offered as an employee benefit, the stipend is no longer available for employees who began employment after November 1, 2005.

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

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

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

**Employees Covered by Benefit Terms**

The following employees were covered by the benefit terms as of September 30, 2018, the latest actuarial valuation date:

Retirees and beneficiaries currently receiving benefits	42
Active Employees	231
	<hr/> 273

**Benefits Provided**

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Contributions**

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

**Total OPEB Liability of the City**

The measurement date for the City's total/net OPEB liability is September 30, 2018, same as the reporting date. The measurement period for OPEB cost was October 1, 2017 to September 30, 2018. The components of the City's total OPEB liability at September 30, 2018, are as follows:

Total OPEB liability	\$7,401,384
OPEB Plan fiduciary net position	-
City's Total OPEB liability	<u>\$7,401,384</u>
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%

**Actuarial Assumptions**

The total OPEB liability at September 30, 2018 was based on an actuarial valuation dated February 20, 2018, rolled forward to September 30, 2018, using the following actuarial assumptions:

Inflation	2.5% per annum
Discount Rate	3.64% (S&P Municipal Bond 20-Year High-Grade Rate Index as of 9-30-18)
Healthcare cost trend rates	10% (HMO) and 8% (PPO and HSA Plans) with ultimate Healthcare cost trend rate of 5% by FY 2027
Mortality Rates	Based on RP -2014 Healthy Annuitant Mortality Rates for Males and Females

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

**Discount Rate**

The discount rate used to measure the total OPEB liability at September 30, 2018 was 3.64%, reduced from 3.58% at September 30, 2017. Because the City's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total pension liability for the Program. The S&P Municipal bond 20-Year High-Grade Rate Index as of September 30, 2018 was adopted for this purpose.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**Changes in the Total OPEB Liability**

	<b>Fiscal Year 2018</b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 217,455
Interest	251,933
Difference between expected and actual experience	-
Change of assumptions and other inputs	(39,761)
Benefit payments	(683,658)
Other Changes*	236,821
Net change in total OPEB liability	(17,210)
Total OPEB liability, beginning	7,418,594
Total OPEB liability, ending	<u>\$ 7,401,384</u>

\*Includes new census and interaction amongst changes

**Sensitivity of the total OPEB Liability to Changes in the Discount Rate**

The following table presents the total OPEB liability, calculated using the discount rate of 3.64%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.64%) or one percentage-point higher (4.64%) than the current discount rate:

	1% Decrease 2.64%	Current Discount Rate 3.64%	1% Increase 4.64%
Total OPEB Liability	\$7,925,305	\$7,401,384	\$6,933,246

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

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

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$7,019,184	\$7,401,384	\$7,840,725

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2018 the City recognized negative OPEB expense of \$416,594. At September 30, 2018, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 532,298
Changes in Assumptions	694,746	375,191
Net Difference Between Projected and Actual Earnings	-	-
	<u>\$ 694,746</u>	<u>\$ 907,489</u>

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

<b>Fiscal Year Ending</b>	
September 30, 2019	\$ (52,794)
September 30, 2020	(52,794)
September 30, 2021	(52,794)
September 30, 2022	(52,794)
September 30, 2023	(9,290)
September 30, 2024	7,723
	<u>\$ (212,743)</u>

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

**3. Other Employee Benefits:**

- a) **Vacation and Sick Leave** - Unused vacation leave is paid upon an employee's termination. Sick leave not taken is forfeited by terminating employees. The vacation leave is recorded as a liability in the financial statements. Over the past three years the vacation time used is nearly equal with the amount of earned vacation time. Of the \$1,134,666 beginning balance, \$902,292 or 79.5% of that amount was used in the current year. Since hours continue to accrue, most of the liability is recorded as long-term.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

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

- a) **Description of Long-Term Debt** - Summarized below are the City's long-term debt issues which are outstanding at September 30, 2018:

	<b>Purpose of Debt</b>	<b>Original Amount</b>	<b>Amount Outstanding</b>	<b>Interest Rate</b>	<b>Annual Debt</b>
<b>Governmental Activities Long-Term Debt</b>					
2005 Revenue Note	Revenue Note	\$3,125,000	\$1,476,412	5.45%	\$ 259,330
2015 Revenue Note/Redevelopment	Revenue Note	1,600,000	670,000	2.95%	349,205
2018A Taxable Refunding Revenue Note	Revenue Note	13,595,000	13,520,000	4.28%	1,040,452
2018B Taxable Refunding Revenue Note	Revenue Note	10,050,000	10,050,000	3.38%	339,690
Total Governmental Activities		51,910,000	25,716,412		
Total Long-Term Debt		<u>\$51,910,000</u>	<u>\$25,716,412</u>		

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

- b) **Changes in Long-Term Debt** - During the fiscal year ended September 30, 2018, the following changes in long-term debt occurred:

	2017	Additions	Deletions	2018	Due Within One Year
<b>Governmental Activities Long-Term</b>					
2005 Revenue Note – T.T. Golf & Country Club	\$ 1,646,033	\$ -	\$ 169,621	\$ 1,476,412	\$ 178,866
2015 Revenue Note/Redevelopment	990,000		320,000	670,000	330,000
2015A Taxable Refunding Revenue	23,540,000		23,540,000	-	-
2018A Taxable Refunding Revenue	-	13,595,000	75,000	13,520,000	325,000
Note					
2018B Taxable Refunding Revenue	-	10,050,000	-	10,050,000	-
Note					
Compensated absences – accrued vacation	1,002,589	674,287	805,105	871,771	87,177
Net OPEB obligation	6,363,477	-	14,636	6,348,841	-
Net Pension Liability	29,828,012	317,274	-	30,145,286	-
Total governmental activities	63,370,111	24,636,561	24,924,362	63,082,310	921,043
<b>Business-Type Activities Long-Term</b>					
Compensated absences – accrued vacation	\$ 132,077	\$ 79,471	\$ 97,187	\$ 114,361	\$ 5,718
Net OPEB obligation	1,055,118	-	2,425	1,052,693	-
Net Pension Liability	356,022	-	2,576	353,446	-
Total business-type activities	1,543,217	79,471	102,188	1,520,500	5,718
Total long-term debt	\$ 64,913,328	\$ 24,716,032	\$ 25,026,550	\$ 64,602,810	\$ 926,761

In July 2009, title of the downtown property was transferred to Vlass Temple Terrace, LLC. In December of 2014 a settlement agreement was reached with Vlass Temple Terrace, LLC to reacquire the downtown property. This resulted in the City borrowing funds to pay the settlement. The 2015 Taxable Non-Ad Valorem Revenue Note in the amount of \$1,600,000 was issued on June 25, 2015. This is a principal and interest payable note to be paid off by October 1, 2020. In September of 2013 the City refinanced the \$21.2 million of the of the 2009 Revenue Note used to purchase the land and buildings in the redevelopment district and \$3 million 2010 Revenue Note used to finance road improvements within the district. The 2013 Revenue Note for \$24.3 million was an interest only note for two years. At the beginning of fiscal year 2016, there were two separate refinancing notes as follows, 2015A Taxable Non-Ad Valorem Refunding Revenue note for \$23,540,000 and 2015B Taxable Non-Ad Valorem Refunding Revenue note for \$870,000, both are interest only, due April 1, 2018. The 2015B note was paid off as of October 9, 2015. On May 17, 2018, the 2015A Taxable Non- Ad Valorem Refunding Revenue Note was refinanced and replaced with the 2018A Taxable Refunding Revenue Note and the 2018B Taxable Refunding Revenue Note.



**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

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

- c) **Summary of Principal and Interest Requirements (all Series)** - The annual requirements to amortize all outstanding debt except compensated absences, as of September 30, 2018, as follows:

Payable Fiscal Year Ended September 30, 2018	Governmental Activities							
	2005		2015		2018A		2018B	
	Revenue Note		Revenue Note		Revenue Note		Revenue Note	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 178,866	\$ 80,464	\$330,000	\$19,765	\$325,000	\$578,656	-	\$339,690
2020	188,614	70,716	340,000	10,030	400,000	654,746	-	339,690
2021	198,893	60,437	-	-	425,000	547,626	-	339,690
2022	209,733	49,597	-	-	500,000	529,436	-	339,690
2023	221,163	38,167	-	-	530,000	508,036	10,050,000	339,690
2024	233,217	26,113	-	-	555,000	485,352	-	-
2025	245,926	13,403	-	-	580,000	461,598	-	-
2026	-	-	-	-	605,000	436,774	-	-
2027	-	-	-	-	630,000	410,880	-	-
2028	-	-	-	-	655,000	383,916	-	-
2029	-	-	-	-	685,000	355,882	-	-
2030	-	-	-	-	710,000	326,564	-	-
2031	-	-	-	-	745,000	296,176	-	-
2032	-	-	-	-	775,000	264,290	-	-
2033	-	-	-	-	810,000	231,120	-	-
2034	-	-	-	-	845,000	196,452	-	-
2035	-	-	-	-	880,000	160,286	-	-
2036	-	-	-	-	915,000	122,622	-	-
2037	-	-	-	-	955,000	83,460	-	-
2038	-	-	-	-	995,000	42,586	-	-
	\$ 1,476,412	\$ 338,897	\$ 670,000	\$ 29,795	\$ 13,520,000	\$ 6,986,458	\$ 10,050,000	\$ 1,698,450

- d) **2005 Country Club Revenue Note** - On October 26, 2005, the City issued a \$3,125,000 taxable non-ad valorem revenue note, series 2005 at 5.45% with Wachovia Bank (now Wells Fargo) on behalf of Temple Terrace Golf and Country Club (Club) to pay off notes 323 and 364 and utilize the remaining proceeds of \$125,496 to construct a maintenance facility. Payment of the loan is secured by a lien upon and a pledge of non-ad valorem funds budgeted and appropriated for purposes of payment. Principal and interest on the note will be paid semi-annually commencing April 1, 2006, with the final payment due October 1, 2025. The source of funds for this payment is generated from the Temple Terrace Golf Club reimbursement, which include 0.5% surcharge over the rate on the note. This surcharge was eliminated on October 6, 2009, per Resolution 127-09. In February 2016, the City entered into an agreement with the golf course management company, Integrity Golf Company, who assumed the operations of the Club during fiscal year 2016. The agreement stipulated that

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

the management company shall remit to the City \$125,000 annually for the Club's debt service payments on the 2005 Revenue Note. Integrity failed to make payments in Fiscal Year 2017, subsequently putting the Club in default for 2 payments. In February 2018, the Club and the City entered into a new agreement. The Club paid the amount in arrears on this loan, and subsequent payments in FY2018 to keep the Club in good standings on loan payments. The amount owed to the Bank is accurately stated, however because of the renewed loan payment schedules, the amount owed to the city to eventually cover the entire loan amount with principal and interest may take an additional 24 years.

- e) **2015 Taxable Non Ad Valorem Revenue Note**, On June 25, 2015, the City issued a \$1,600,000 taxable non-ad valorem revenue note at a fixed rate of 2.95% with PNC Bank. The principal and interest will be paid off by October 1, 2020.
- f) **2015A Taxable Non Ad Valorem Revenue Bond**, On October 1, 2015, the City issued a \$24,410,000 taxable non-ad valorem revenue bond at a fixed rate of 2.304%. The principal and interest will be paid off by April 1, 2018. This debt issuance refunded the 2013 taxable non-ad valorem refunding revenue note. During the March 6, 2018 Council meeting, a resolution was approved in agreement with PNC to extend the due date of the \$23,540,000 taxable non-ad valorem revenue bond to June 1, 2018 in order for the city to obtaining refinancing. On May 17, 2018, the bond was refinanced and replaced with the 2018A Taxable Refunding Revenue Notes 2018A and 2018B.
- g) **2018A and 2018B Taxable Refunding Revenue Notes**, on May 17, 2018 the City refinanced the 2015A Taxable Non Ad Valorem Revenue Bond with the 2018A and 2018B Taxable Refunding Revenue Notes. The 2018A note was issued for \$13,595,000 with principal and interest payments due each April and October 1 through October 1, 2038 at a stated interest rate of 4.28%. The 2018B note (\$10,050,000 original issue amount) was structured with a balloon principal payment due October 1, 2023 and interest payable monthly beginning June 1, 2018 at 3.38% at the date of issuance. Interest is variable based on the LIBOR +150 basis points.

**C. CONDUIT DEBT**

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

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**NOTE IV - OTHER INFORMATION**

**A. RISK FINANCING**

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

On October 1, 2000, the City entered into an intergovernmental cooperative agreement with Public Risk Management of Florida (PRM), a risk management and self-insurance association, for the purpose of reducing and limiting member casualty and property losses and employee injuries caused by or arising out of the operations of its members. The pool processes claims, performs investigations, provides defense and settlement when claims arise. PRM administers a risk management pool and utilizes such funds to defend and protect any members of the pool against liability for a covered loss. All funds contained within the pool are funds directly derived from its members who are public agencies of the State of Florida. The relationship is a joint self-insurance or self-funded program using governmental funds. The purchase of liability insurance by the pool or any of its members is not intended to, and does not, waive sovereign immunity. The pool and the members of the pool do not intend to waive sovereign immunity through their use of public funds retained within the pool. Such funds are not intended to constitute the existence, issuance or purchase of a policy for insurance. And the pool is not treated as an "insurer" within the meaning of any State legislation. Among other things, the powers of the pool include the purchase of aggregate excess insurance and specific excess insurance to supplement the risk management pool. The City is obligated to make payments to the pool, select a representative to serve on the Board of Directors, allow attorneys employed by the pool to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City, and to follow operations and loss reduction and prevention procedures established by the pool.

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

**B. LEASES**

**Temple Terrace Golf and Country Club Lease.** On January 1, 1997, the City entered into a 53 year agreement, which expires December 31, 2050, to lease the City-owned golf course to the Temple Terrace Golf and Country Club, Inc. (the Club). The lease is accounted for as an operating lease. All costs and expenses related to the operation of the golf course are borne by the Club.

**City of Temple Terrace, Florida**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2018**

**C. SUBSEQUENT EVENT**

On November 21, 2018, the City was successful in selling real property located at the South East corner of 56th and Bullard Pkway in Temple Terrace, FL for the total purchase price of 3,575,000. After payment of all expenses, the city netted 3,362,936 which was then used to pay down the 10,050,000, thus reducing the interest only payment principle to \$6,687,064.

## **REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Last Ten Fiscal Years

Florida Retirement System Pension Plan

City's Proportion of the Net Pension Liability  
City's Proportionate Share of the Net Pension Liability  
City's Covered Payroll  
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll  
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

Retiree Health Insurance Subsidy Program (HIS)

City's Proportion of the Net Pension Liability  
City's Proportionate Share of the Net Pension Liability  
City's Covered Payroll  
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll  
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

Note: The Amounts Presented for Each Fiscal Year were Determined as of June 30.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

2018	2017	2016	2015
0.002505288%	0.002740681%	0.003723404%	0.004035504%
\$ 754,600	\$ 810,675	\$ 940,162	\$ 521,239
1,013,305	1,039,378	1,582,909	1,771,220
74.47%	78.00%	59.39%	29.43%
84.26%	83.89%	84.88%	92.00%

2018	2017	2016	2015
0.002978803%	0.003256996%	0.004234908%	0.004234908%
\$ 315,280	\$ 348,253	\$ 493,561	\$ 467,719
1,013,305	1,039,378	1,582,909	1,771,220
31.11%	33.51%	31.18%	26.41%
2.15%	1.64%	0.97%	0.50%

## SCHEDULE OF CONTRIBUTIONS

Last Ten Fiscal Years

### Florida Retirement System Pension Plan

Contractually Required Contribution

Contributions in Relation to the Contractually Required Contribution

Contribution Deficiency (Excess)

City's Covered Payroll

Contributions as a Percentage of Covered Payroll

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

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

### Retiree Health Insurance Subsidy Program (HIS)

Contractually Required Contribution

Contributions in Relation to the Contractually Required Contribution

Contribution Deficiency (Excess)

City's Covered Payroll

Contributions as a Percentage of Covered Payroll

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

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.



2018	2017	2016	2015
\$ 71,995	\$ 68,334	\$ 83,671	\$ 99,131
(71,995)	(68,334)	(83,671)	(99,131)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 927,983	\$ 984,051	\$ 1,202,558	\$ 1,412,055
7.76%	6.94%	6.96%	7.02%

2018	2017	2016	2015
\$ 15,910	\$ 16,316	\$ 19,968	\$ 19,314
(15,910)	(16,316)	(19,968)	(19,314)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 927,983	\$ 984,051	\$ 1,202,558	\$ 1,412,055
1.71%	1.66%	1.66%	1.37%

# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years  
Firefighters' Retirement System

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	1,032,866	929,615	923,351
Interest	2,462,363	2,342,818	2,179,370
Change in Excess State Money	-	-	(18,213)
Share Plan Allocation	-	-	15,028
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	1,408,684	(261,617)	38,129
Changes of assumptions	-	-	627,713
Contributions - Buy Back	25,724	9,799	3,143
Benefit Payments, including Refunds of Employee Contributions	(1,602,076)	(1,457,773)	(1,769,625)
Net Change in Total Pension Liability	3,327,561	1,562,842	1,998,896
Total Pension Liability - Beginning	32,599,681	31,036,839	29,037,943
Total Pension Liability - Ending (a)	\$ 35,927,242	\$ 32,599,681	\$ 31,036,839
Plan Fiduciary Net Position			
Contributions - Employer	1,450,076	1,316,570	1,167,720
Contributions - State	155,354	153,625	168,057
Contributions - Employee	350,864	327,645	303,975
Contributions - Buy Back	25,724	9,799	3,143
Net Investment Income	2,600,576	2,683,463	1,359,948
Benefit Payments, including Refunds of Employee Contributions	(1,602,076)	(1,457,773)	(1,769,625)
Administrative Expense	(54,011)	(65,679)	(43,311)
Net Change in Plan Fiduciary Net Position	2,926,507	2,967,650	1,189,907
Plan Fiduciary Net Position - Beginning	23,860,977	20,893,327	19,703,420
Plan Fiduciary Net Position - Ending (b)	\$ 26,787,484	\$ 23,860,977	\$ 20,893,327
Net Pension Liability - Ending (a) - (b)	\$ 9,139,758	\$ 8,738,704	\$ 10,143,512
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.56%	73.19%	67.32%
Covered Payroll	\$ 3,338,386	\$ 3,117,461	\$ 2,892,247
Net Pension Liability as a percentage of Covered Payroll	273.78%	280.31%	350.71%

## **Notes to Schedule:**

Effective for the City's fiscal year ending 09/30/2018, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2017 to 09/30/2018.

### *Changes of assumptions:*

For year ending 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

## Last 10 Fiscal Years Firefighters' Retirement System Continued

	09/30/2015	09/30/2014
Total Pension Liability		
Service Cost	848,258	834,970
Interest	2,106,949	2,001,009
Change in Excess State Money	-	-
Share Plan Allocation	-	-
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(208,861)	-
Changes of assumptions	330,207	-
Contributions - Buy Back	3,884	-
Benefit Payments, including Refunds of Employee Contributions	(1,870,919)	(1,039,727)
Net Change in Total Pension Liability	1,209,518	1,796,252
Total Pension Liability - Beginning	27,828,425	26,032,173
Total Pension Liability - Ending (a)	<u>\$ 29,037,943</u>	<u>\$ 27,828,425</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,064,455	1,064,867
Contributions - State	160,407	162,928
Contributions - Employee	297,030	292,410
Contributions - Buy Back	3,884	-
Net Investment Income	232,365	1,915,275
Benefit Payments, including Refunds of Employee Contributions	(1,870,919)	(1,039,727)
Administrative Expense	(49,011)	(48,151)
Net Change in Plan Fiduciary Net Position	(161,789)	2,347,602
Plan Fiduciary Net Position - Beginning	19,865,209	17,517,607
Plan Fiduciary Net Position - Ending (b)	<u>\$ 19,703,420</u>	<u>\$ 19,865,209</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 9,334,523</u>	<u>\$ 7,963,216</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	67.85%	71.38%
Covered Payroll <sup>1</sup>	\$ 3,294,335	\$ 2,688,405
Net Pension Liability as a percentage of Covered Payroll	283.35%	296.21%

### **Notes to Schedule:**

<sup>1</sup>For measurement date 09/30/2015, the Covered Payroll figure included payroll for DROP members.

### *Changes of assumptions:*

For year ending 09/30/2015 the investment rate of return has been lowered from 7.60% to 7.50% per year, net of investment related expenses.

## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years  
Firefighters' Retirement System

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll <sup>1</sup>	Contributions as a percentage of Covered Employee Payroll
09/30/2018	\$ 1,605,430	\$ 1,605,430	\$ -	\$ 3,338,386	48.09%
09/30/2017	1,470,195	1,470,195	-	3,117,461	47.16%
09/30/2016	1,329,855	1,329,855	-	2,892,247	45.98%
09/30/2015	1,224,862	1,224,862	-	3,294,335	37.18%
09/30/2014	1,227,794	1,227,794	-	2,688,405	45.67%

<sup>1</sup>For measurement date 09/30/2015, the Covered Employee Payroll figure included payroll for DROP members.

### Notes to Schedule

Valuation Date: 10/01/2016

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

Methods and assumptions used to determine contribution rates:

#### *Mortality Rate:*

##### *Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

##### *Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

75% of active deaths are assumed to happen in the line of duty.

#### Interest Rate:

7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

#### Retirement Age:

Earlier of age 54 and 10 years of service or 20 years of service, regardless of age.

Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the 2016 experience study).

#### Early Retirement:

Commencing with eligibility for Early Retirement Age (Age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5.00% per year. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the 2016 experience study).

Disability Rates:	See table below (10 times 1201). 75% of disabilities are assumed to happen in the line of duty. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the 2016 experience study).
Termination Rates:	See table below. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the 2016 experience study).
Salary Increases:	6.50% per year until the assumed retirement age; see table below. Projected salary at retirement is increased according to frozen balances. This is based on the results of the 2009 actuarial experience study (no changes were adopted as a result of the 2016 experience study).
Cost of Living Increases:	3.0% per year from age 56 to age 70.
Payroll Growth:	3.23%, as limited by the provisions of Part VII of Chapter 112, Florida Statutes.
Funding Method:	Entry Age Normal Actuarial Cost Method.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

Termination and Disability Rate Table:	% Becoming Disabled During the Year	% Terminating During the Year
Age		
20	0.3%	9.3%
30	0.4%	7.9%
40	0.7%	4.3%
50	1.8%	1.1%

# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years  
Police Officers' Retirement System

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	626,092	658,510	652,093
Interest	3,359,135	3,231,782	2,996,634
Change in Excess State Money	-	(13,669)	-
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	1,046,273	254,999	266,414
Changes of assumptions	79,720	129,219	1,632,506
Contributions - Buy Back	21,919	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,813,555)	(2,274,549)	(2,562,970)
Net Change in Total Pension Liability	2,319,584	1,986,292	2,984,677
Total Pension Liability - Beginning	45,569,149	43,582,857	40,598,180
Total Pension Liability - Ending (a)	\$ 47,888,733	\$ 45,569,149	\$ 43,582,857
Plan Fiduciary Net Position			
Contributions - Employer	2,202,438	2,079,938	1,857,520
Contributions - State	194,338	181,543	188,055
Contributions - Employee	290,312	322,963	303,850
Contributions - Buy Back	21,919	-	-
Net Investment Income	2,464,167	2,871,553	1,382,196
Benefit Payments, including Refunds of Employee Contributions	(2,813,555)	(2,274,549)	(2,562,970)
Administrative Expense	(42,874)	(50,713)	(37,851)
Net Change in Plan Fiduciary Net Position	2,316,745	3,130,735	1,130,800
Plan Fiduciary Net Position - Beginning	25,282,748	22,152,013	21,021,213
Plan Fiduciary Net Position - Ending (b)	\$ 27,599,493	\$ 25,282,748	\$ 22,152,013
Net Pension Liability - Ending (a) - (b)	\$ 20,289,240	\$ 20,286,401	\$ 21,430,844
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	57.63%	55.48%	50.83%
Covered Payroll <sup>1</sup>	\$ 2,592,071	\$ 2,883,598	\$ 2,712,946
Net Pension Liability as a percentage of Covered Payroll	782.74%	703.51%	789.95%

## **Notes to Schedule:**

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

Effective for the City's fiscal year ending 09/30/2018, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2017 to 09/30/2018.

### *Changes of assumptions:*

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from the following change:

The termination rates were reduced by 0.6% for members with 1 to 10 years of service, and by 0.5% for members with 11 or more years of service, in conjunction with the November 21, 2016 experience study.

# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

## Last 10 Fiscal Years Police Officers' Retirement System Continued

	09/30/2015	09/30/2014
Total Pension Liability		
Service Cost	634,011	673,853
Interest	2,909,094	2,826,257
Change in Excess State Money	-	-
Changes of benefit terms	(295,206)	-
Differences between Expected and Actual Experience	(7,809)	-
Changes of assumptions	444,806	-
Contributions - Buy Back	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,078,269)	(2,071,931)
Net Change in Total Pension Liability	1,606,627	1,428,179
Total Pension Liability - Beginning	38,991,553	37,563,374
Total Pension Liability - Ending (a)	\$ 40,598,180	\$ 38,991,553
Plan Fiduciary Net Position		
Contributions - Employer	1,562,285	1,536,551
Contributions - State	165,332	154,522
Contributions - Employee	303,704	303,725
Contributions - Buy Back	-	-
Net Investment Income	87,712	2,236,955
Benefit Payments, including Refunds of Employee Contributions	(2,078,269)	(2,071,931)
Administrative Expense	(32,080)	(18,966)
Net Change in Plan Fiduciary Net Position	8,684	2,140,856
Plan Fiduciary Net Position - Beginning	21,012,529	18,871,673
Plan Fiduciary Net Position - Ending (b)	\$ 21,021,213	\$ 21,012,529
Net Pension Liability - Ending (a) - (b)	\$ 19,576,967	\$ 17,979,024
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	51.78%	53.89%
Covered Payroll <sup>1</sup>	\$ 3,126,443	\$ 2,889,864
Net Pension Liability as a percentage of Covered Payroll	626.17%	622.14%

### **Notes to Schedule:**

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

#### *Changes of benefit terms:*

For measurement date 09/30/2015, amounts reported as changes of benefit resulted from:

- The Plan's definition of Salary was changed so that no amount of vacation payoff shall be included as pensionable earnings.
- The Plan's definition of Salary was changed so that the maximum amount of overtime that can be included as pensionable earnings is 300 hours per calendar year.

#### *Changes of assumptions:*

For measurement date 09/30/2015, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.6% to 7.5%.

For measurement date 09/30/2017, amounts reported as changes of assumptions resulted from the following changes:

1. The termination rates were reduced by 0.6% for members with 1 to 10 years of service and by 0.5% for members with 11 or more years of service, in conjunction with the November 21, 2016 experience study. We will continue to reduce these rates until the ultimate rates are reached with the October 1, 2020 actuarial valuation.
2. The mortality tables were changed to use the same rates as used by the Florida Retirement System (FRS) in their July 1, 2016 valuation as required by State Law.
3. The payroll growth assumption was reduced from 0.37% to zero.

For measurement date 09/30/2016, amounts reported as changes of assumptions resulted from an experience study, dated November 21, 2016, the following assumption changes were made:

1. Salary increases changed from a flat 6.5% to one based on Credited Service.
2. Changing the turnover table from an age based table to a service based table.
3. Reducing the early retirement rates from 5.0% to 2.0% per year.
4. Changing the normal retirement rates to vary by Credited Service.
5. Changing the mortality table to the same rates as used by the Florida Retirement System (FRS) in their July 1, 2015 valuation as required by State Law.

Additionally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.





# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years  
Police Officers' Retirement System

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
09/30/2018	\$ 2,413,755	\$ 2,396,776	\$ 16,979	\$ 2,592,071	92.47%
09/30/2017	2,244,502	2,261,481	(16,979)	2,883,598	78.43%
09/30/2016	2,045,575	2,045,575	-	2,712,946	75.40%
09/30/2015	1,727,617	1,727,617	-	3,126,443	55.26%
09/30/2014	1,691,072	1,691,072	-	2,889,864	58.52%

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

### Notes to Schedule

Valuation Date: 10/01/2016

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

*Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

*Disabled Lives:*

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Interest Rate:

7.5% per year, compounded annually, net of investment related expenses. This assumption is reasonable based on the asset allocation and longterm expected rates of return.

Retirement Age:

100% at age 55; 75% upon completing 20 and 21 years of service and 100% upon reaching 22 years of service. This assumption was adopted based on the November 21, 2016 experience study.

Early Retirement:

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 2% (prior assumption 5%) per year. This assumption was adopted based on the November 21, 2016 experience study.

Disability Rates:

See table below (1207). It is assumed that 75% of disablements and active Member deaths are service related.

Age	% Becoming Disabled During the Year
20	0.07%
30	0.11%
40	0.19%
50	0.51%

Termination Rates: Termination Rate This assumption was adopted with the November 21, 2016 experience study and rates for 1-5 years of service and 6-10 years of service will be reduced by 0.6% for each of the next 4 years, with the ultimate goal of 9.0% and 8.0% respectively. The proposed rates for 11-15 years of service and 16+ years of service will be reduced

Service	Termination
< 1	15.0%
1-5	11.4%
6-10	10.4%
11-15	6.0%
16+	3.0%

Salary Increases: 8.5% for the first year of service and 5.5% thereafter. Projected salary at retirement is not increased to account for non-regular payments.

Cost of Living Increases: 3% per year beginning at age 56 (for Members eligible for NR as of 07/01/2012). 3% per year beginning on 10/01/2032 (for future Retirees not eligible for NR as of 07/01/2012).

Payroll Increase: 0.37% per year.

Funding Method: Funding Method Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value of Assets.

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' AND POLICE OFFICERS'  
RETIREMENT SYSTEMS  
Last 10 Fiscal Years

Annual money-weighted rate of return, net of investment expense for the pension plans:

Fiscal Year Ended 9/30	Firefighters' Retirement System	Police Officers' Retirement System
2018	10.89%	9.8%
2017	12.86%	12.99%
2016	6.94%	6.72%
2015	1.18%	0.42%
2014	10.82%	11.93%

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
Last 10 Fiscal Years

	Fiscal Year 2018	Fiscal Year 2017
Total OPEB Liability		
Service Cost	\$ 217,455	\$ 210,731
Interest	251,933	277,270
Difference between expected and actual experience	-	(769,706)
Change of Assumptions and Other Inputs	(39,761)	603,182
Benefit payments	(683,658)	(621,863)
Other Changes *	236,821	(380,423)
Net change in total OPEB liability	(17,210)	(680,809)
Total OPEB liability, beginning	7,418,594	8,099,403
Total OPEB liability, ending	<u>\$ 7,401,384</u>	<u>\$ 7,418,594</u>

\* Includes new census and interation amongst changes.

Covered employee payroll	\$ 11,542,072	\$ 11,542,072
Total OPEB liability as a percentage of covered employee payroll	64.13%	64.27%

Notes to Schedule:

*(1) Plan Assets:*

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

*Other items:*

This information is required for ten years. However, only two years of information is available. Discount rate increased from 3.56% in 2017 to 3.64% in 2018. The discount rate is based on the S&P Municipal Bond 20 Year High-Grade Index as of 9/30/18.

Note that 2018 amounts are based on the fiscal 2017 valuation dated 2/20/18 rolled forward to 9/30/18.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS  
AND SCHEDULES

**Debt Service Fund**

The ***Debt Service Fund*** is established to account for resources that are restricted, committed, or assigned to expenditure for principal and interest on outstanding bonded debt of the City, exclusive of the bonded debt in the enterprise funds.

The City's **Debt Service Fund** is established in accordance with statutes and/or bond indentures. Its use enhances the attractiveness of bonds to prospective buyers. Inclusion of debt service fund provisions in the indentures indicates to the prospective buyer that the timing of the assets acquisition to satisfy maturing debt has been formalized and a sophisticated administrative approach to servicing the debt will be followed.

**CITY OF TEMPLE TERRACE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
For the Fiscal Year Ended September 30, 2018

	<b>Debt Service Fund</b>		
	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Investment Earnings	\$ 500	\$ -	\$ (500)
Other	-	-	-
Total Revenues	500	-	(500)
<b>EXPENDITURES</b>			
Debt Service:			
Principal	24,029,622	24,104,621	(74,999)
Interest	944,776	815,630	129,146
Other Debt Service Costs	270,000	98,328	171,672
Total Debt Service	25,244,398	25,018,579	225,819
Total Expenditures	25,244,398	25,018,579	225,819
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(25,243,898)</b>	<b>(25,018,579)</b>	<b>225,319</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,433,898	1,662,112	228,214
Proceeds from Issuance of Debt	23,810,000	23,645,000	165,000
Total Other Financing Sources (Uses)	25,243,898	25,307,112	393,214
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>288,533</b>	<b>618,533</b>
Fund Balances (Deficit), Beginning	-	(288,533)	(288,533)
Fund Balances, Ending	\$ -	\$ -	\$ 330,000



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank



## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understanding how the City's financial performance and well-being have changed over time.</i>	125
<b>Revenue Capacity</b> <i>These schedules contain trend information to help the reader assess the City's most significant local revenue source, the property tax.</i>	130
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>  <i>The following two schedules are not shown in the debt capacity section:</i> <ul style="list-style-type: none"><li>– <i>Ratio of General Bonded Debt Outstanding:</i> <i>There has been no general obligation bonded debt for the past ten fiscal years.</i></li><li>– <i>Legal Debt Margin:</i> <i>The City's Charter makes no provision for a general obligation legal debt margin.</i></li></ul>	137
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	140
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	144

Sources: Unless otherwise noted, the information in these tables is derived from the CAFR for the relevant year.



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

CITY OF TEMPLE TERRACE, FLORIDA

Table 1

NET POSITION BY COMPONENT

	Last Ten Fiscal Years (accrual basis of accounting)									
	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government Activities:										
Net investment in capital assets	\$ 34,313,966	\$ 36,609,269	\$ 40,321,330	\$ 44,564,467	\$ 44,929,535	\$ 44,461,063	\$ 46,467,096	\$ 45,787,690	\$ 44,751,620	\$ 44,460,729
Restricted	2,745,471	2,634,580	8,306,042	7,154,188	7,566,336	7,748,873	6,129,784	3,293,605	4,257,394	4,658,338
Unrestricted	(13,264,249)	(11,935,227)	(21,458,838)	(23,405,315)	(24,276,008)	(23,954,426)	(50,928,791)	(46,842,232)	(51,603,235)	(50,868,928)
Total governmental activities net position	\$ 23,795,188	\$ 27,308,622	\$ 27,168,534	\$ 28,313,340	\$ 28,219,863	\$ 28,255,509	\$ 1,668,089	\$ 2,239,063	\$ (2,594,221)	\$ (1,749,861)
Business-Type Activities:										
Net investment in capital assets	\$ 22,534,522	\$ 23,197,089	\$ 24,490,972	\$ 24,973,142	\$ 25,505,001	\$ 26,317,510	\$ 26,554,406	\$ 27,161,205	\$ 27,755,329	\$ 27,409,412
Restricted	6,009,253	5,656,554	4,345,084	3,920,116	3,526,876	2,730,208	3,088,958	4,581,463	3,854,474	4,322,680
Unrestricted	1,710,998	1,112,489	1,387,947	1,262,546	1,765,197	2,490,090	3,342,554	2,484,072	3,749,575	5,858,072
Total business-type activities net position	\$ 30,254,773	\$ 29,966,132	\$ 30,224,003	\$ 30,155,804	\$ 30,797,074	\$ 31,537,808	\$ 32,985,918	\$ 34,226,740	\$ 35,359,378	\$ 37,590,164
Primary Government:										
Net investment in capital assets	\$ 56,848,488	\$ 59,806,358	\$ 64,812,302	\$ 69,537,609	\$ 70,434,536	\$ 70,778,573	\$ 73,021,501	\$ 72,948,895	\$ 72,506,949	\$ 71,870,141
Restricted	8,754,724	8,291,134	12,651,126	11,074,304	11,093,212	10,479,081	9,218,744	7,875,068	8,111,868	8,981,018
Unrestricted	(11,553,251)	(10,822,738)	(20,070,891)	(22,142,769)	(22,510,811)	(21,464,336)	(47,586,237)	(44,358,160)	(47,853,660)	(45,010,856)
Total primary government net position	\$ 54,049,961	\$ 57,274,754	\$ 57,392,537	\$ 58,469,144	\$ 59,016,937	\$ 59,793,317	\$ 34,654,008	\$ 36,465,803	\$ 32,765,157	\$ 35,840,303

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

CITY OF TEMPLE TERRACE, FLORIDA

Table 2

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 4,084,419	\$ 4,114,286	\$ 3,980,313	\$ 3,900,099	\$ 3,876,690	\$ 3,847,264	\$ 4,889,652	\$ 4,084,662	\$ 3,934,517	\$ 3,502,838
Public safety	13,083,126	12,723,993	13,130,360	13,343,136	13,454,784	13,880,527	13,790,072	13,994,461	15,865,516	16,139,381
Public works	2,361,372	2,258,804	2,384,940	2,338,570	2,167,279	2,193,891	1,414,185	2,578,207	2,462,894	2,230,417
Economic environment	807,943	742,629	2,305,198	1,000,416	21,692	522	94,120	144,613	104,227	24,578
Culture and recreation	4,029,039	3,953,613	4,046,833	3,973,313	3,882,710	3,979,142	4,029,260	3,961,717	3,837,790	4,904,099
Interest on long-term debt	662,520	803,347	821,790	837,962	868,701	415,854	487,670	719,237	685,104	913,958
Total governmental activities	25,028,419	24,596,672	26,669,434	25,393,496	24,271,856	24,317,200	24,704,960	25,482,897	26,890,048	27,715,271
Business-type activities:										
Water/sewer	8,873,380	9,526,900	9,808,604	10,305,399	9,802,084	9,641,139	9,950,108	10,207,950	10,075,846	10,518,652
Sanitation	2,875,242	2,805,749	2,822,207	3,093,535	2,965,440	3,109,749	3,091,486	3,470,280	3,577,213	3,436,279
Total business-type activities	11,748,622	12,332,649	12,630,811	13,398,934	12,767,524	12,750,888	13,041,594	13,678,230	13,653,059	13,954,931
Total primary government expenses	\$ 36,777,041	\$ 36,929,321	\$ 39,300,245	\$ 38,792,430	\$ 37,039,380	\$ 37,068,088	\$ 37,746,554	\$ 39,161,127	\$ 40,543,107	\$ 41,670,202
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 3,944,462	\$ 4,057,379	\$ 4,164,981	\$ 4,635,442	\$ 4,375,457	\$ 4,322,450	\$ 4,704,230	\$ 4,585,227	\$ 4,408,774	\$ 4,300,664
Public safety	2,311,524	1,519,171	1,369,573	1,502,785	1,456,785	1,211,799	2,630,890	739,889	1,147,181	1,765,176
Public works	35,545	62,956	85,038	86,760	90,571	86,101	834,978	93,309	105,122	100,344
Economic environment	1,286,782	320,851	123,019	53,169	76,104	-	69,461	-	-	-
Culture and recreation	977,993	962,115	968,120	1,021,213	982,859	931,954	1,128,753	898,252	1,086,548	1,065,043
Operating grants and contributions	471,000	646,117	497,376	890,686	302,479	277,807	-	508,094	440,904	85,884
Capital grants and contributions	874,928	4,226,569	2,558,306	1,386,176	213,737	469,111	-	104,862	122,327	195,842
Total governmental activities	9,902,234	11,795,158	9,766,413	9,576,231	7,497,992	7,299,222	9,368,312	6,929,633	7,310,856	7,512,953
Business-type activities:										
Charges for services:										
Water/sewer	7,852,306	8,880,252	9,798,141	10,111,117	10,250,778	10,322,232	10,277,824	11,452,554	12,022,271	12,295,439
Sanitation	3,007,605	2,956,883	3,017,708	3,017,634	3,020,379	3,086,706	3,111,798	3,591,451	3,517,384	3,655,813
Capital grants and contributions	34,199	48,609	4,381	98,091	138,580	31,432	1,071,571	270,928	47,975	125,190
Total business-type activities	10,894,110	11,885,744	12,820,230	13,226,842	13,409,737	13,440,370	14,461,193	15,314,933	15,587,630	16,076,442
Total primary government program revenues	\$ 20,796,344	\$ 23,680,902	\$ 22,586,643	\$ 22,803,073	\$ 20,907,729	\$ 20,739,592	\$ 23,829,505	\$ 22,244,566	\$ 22,898,486	\$ 23,589,395

## Table 2 (Continued)

Last Ten Fiscal Years  
(accrual basis of accounting)

127

CITY OF TEMPLE TERRACE, FLORIDA

Table 3

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 285,760	\$ 300,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,101,988	3,690,252	-	-	-	-	-	-	-	-
Total General Fund	\$ 4,387,748	\$ 3,990,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds										
Reserved	\$ 2,887,761	\$ 3,533,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	3,626,229	4,364,919	-	-	-	-	-	-	-	-
Debt Service Fund	770,331	439,316	-	-	-	-	-	-	-	-
Capital Projects Fund	-	1,771	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 7,284,321	\$ 8,339,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total fund balance										
All governmental funds	\$ 11,672,069	\$ 12,330,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Beginning in Fiscal Year 2011, due to implementation of GASB Statement No. 54, fund balance is now reported as follows:										
	Fiscal Year									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 35,585	\$ 25,584	\$ 22,325	\$ 21,958	\$ 21,958	\$ 2,735,860	\$ 2,703,833	\$ 2,183,112
Restricted	-	-	143,111	131,774	\$ 174,300	217,513	276,403	325,705	371,977	404,490
Committed	-	-	-	471,349	\$ 116,591	116,591	116,591	116,591	116,591	-
Assigned	-	-	1,049,674	249,984	1,706,440	1,155,010	1,426,959	94,653	94,653	1,361,843
Unassigned	-	-	2,343,181	3,259,530	2,551,211	2,861,765	3,917,317	6,157,984	6,332,169	6,314,505
Total General Fund	\$ -	\$ -	\$ 3,571,551	\$ 4,138,221	\$ 4,570,867	\$ 4,372,838	\$ 5,759,228	\$ 9,430,793	\$ 9,619,223	\$ 10,263,950
All Other Governmental Funds										
Restricted, reported in:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	-	-	4,566,211	3,610,417	4,023,569	4,232,684	5,806,751	2,967,900	3,921,943	4,253,848
Debt Service Fund	-	-	2,863,128	2,641,625	2,559,576	2,794,452	46,631	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Unrestricted, reported in:										
Debt Service Fund	-	-	-	-	-	-	-	(288,533)	(288,533)	-
Total all other governmental funds	\$ -	\$ -	\$ 7,429,339	\$ 6,252,042	\$ 6,583,145	\$ 7,027,136	\$ 5,853,382	\$ 2,679,367	\$ 3,633,410	\$ 4,253,848
Total fund balance										
All governmental funds	\$ -	\$ -	\$ 11,000,890	\$ 10,390,263	\$ 11,154,012	\$ 11,399,974	\$ 11,612,610	\$ 12,110,160	\$ 13,252,633	\$ 14,517,798

CITY OF TEMPLE TERRACE, FLORIDA

Table 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 12,589,786	\$ 13,017,443	\$ 12,934,258	\$ 13,021,553	\$ 12,805,206	\$ 13,262,249	\$ 13,675,122	\$ 14,593,675	\$ 15,852,483	\$ 16,604,502
Licenses and permits	2,213,232	2,221,279	2,130,961	2,061,898	2,064,671	2,017,310	2,351,720	2,360,318	2,185,374	2,481,931
Intergovernmental	4,077,105	6,810,376	6,139,380	4,796,594	3,686,168	4,011,413	4,941,011	4,360,329	4,529,581	4,416,439
Charges for services	4,757,182	3,800,496	3,842,628	4,237,744	4,032,528	3,963,372	4,416,457	3,653,272	4,109,960	4,258,697
Fines and forfeitures	1,710,665	751,591	576,551	788,489	685,288	449,747	745,001	190,095	157,134	220,566
Other	848,891	786,585	777,029	1,403,750	800,952	530,035	1,612,163	471,450	325,713	508,292
Total revenues	26,196,861	27,387,770	26,400,807	26,310,028	24,074,813	24,234,126	27,741,474	25,629,139	27,160,245	28,490,427
<b>Expenditures</b>										
General government	4,718,759	4,731,907	6,099,752	4,690,547	3,870,788	3,743,156	4,079,016	4,023,549	4,013,152	4,336,604
Public safety	12,468,044	11,919,349	12,222,205	12,397,480	12,606,806	12,979,074	12,808,684	13,330,262	14,700,131	14,817,011
Transportation and public works	1,745,232	1,647,345	1,711,672	1,534,495	1,359,681	1,378,734	1,341,907	1,336,109	1,201,944	1,444,507
Culture and recreation	3,647,510	3,575,879	3,594,863	3,516,949	3,439,561	3,515,786	3,572,694	3,441,957	3,507,684	3,616,480
Capital outlay	4,710,472	3,842,919	5,238,966	3,445,880	2,153,617	1,700,019	3,990,018	4,147,878	1,512,882	1,706,285
Debt service										
Principal	341,669	959,565	375,310	1,397,675	415,431	407,182	144,657	1,322,541	470,855	24,104,621
Interest	770,334	803,347	810,696	826,868	786,588	414,969	407,071	692,006	685,104	815,630
Debt issuance	78,179	31,283	2,000	-	71,019	885	80,599	27,231		98,328
Total expenditures	28,480,199	27,511,594	30,055,464	27,809,894	24,703,491	24,139,805	26,424,646	28,321,533	26,091,752	50,939,466
Excess (deficiency) of revenues over expenditures	(2,283,338)	(123,824)	(3,654,657)	(1,499,866)	(628,678)	94,321	1,316,828	(2,692,394)	1,068,493	(22,449,039)
<b>Other financing sources (uses)</b>										
Debt Proceeds	592,278	724,568	2,284,299	1,000,192	(24,207,806)	-	1,600,000	24,410,000	-	23,645,000
Proceeds of Refunding Debt	-	-	-	-	24,335,000	-	-	(24,335,000)	-	-
Transfers in	1,506,100	943,892	739,480	1,798,761	1,943,343	826,329	504,453	2,882,275	1,240,043	1,779,824
Transfers out	(1,506,100)	(943,892)	(739,480)	(1,798,761)	(875,718)	(826,329)	(444,608)	(2,482,275)	(1,240,043)	(1,779,824)
Payment to Escrow Agent	-	-	-	-	-	-	0	-	-	-
Sale of capital assets	2,494	57,277	41,158	69,047	17,608	29,816	63,541	9,191	73,980	69,204
Total other financing sources (uses)	594,772	781,845	2,325,457	1,069,239	1,212,427	29,816	1,723,386	484,191	73,980	23,714,204
Net change in fund balances	\$ (1,688,566)	\$ 658,021	\$ (1,329,200)	\$ (430,627)	\$ 583,749	\$ 124,137	\$ 3,040,214	\$ (2,208,203)	\$ 1,142,473	\$ 1,265,165
Debt service as a percentage of noncapital expenditures	4.9%	8.1%	5.0%	10.0%	5.6%	3.8%	2.5%	9.1%	4.9%	50.7%

# CITY OF TEMPLE TERRACE, FLORIDA

Table 5

## GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years

Fiscal Year	-----PROGRAM REVENUES-----				-----GENERAL REVENUES-----			
	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Grants & Contributions			TOTAL
					Not Restricted To Specific Programs	Unrestricted Investment Earnings	Miscellaneous	
2009	\$ 19,416,217	\$ 471,000	\$ 909,127	\$ 15,320,964	\$ 44,707	\$ 380,368	\$ 551,088	\$ 37,093,471
2010	18,759,607	646,117	4,275,178	15,509,155	47,716	320,440	546,559	40,104,772
2011	19,526,580	497,376	2,562,687	15,877,313	79,155	179,190	604,085	39,326,386
2012	20,428,120	890,686	1,484,267	16,046,405	83,529	275,509	592,590	39,801,106
2013	20,252,933	302,479	352,317	15,907,757	37,758	35,094	698,835	37,587,173
2014	19,961,242	277,807	500,543	16,567,885	54,396	126,554	356,035	37,844,462
2015	21,022,492	935,977	1,871,036	16,844,869	96,302	114,324	837,893	41,722,893
2016	21,360,682	508,094	375,790	18,344,753	52,311	86,456	244,837	40,972,923
2017	22,287,280	440,904	170,302	19,587,652	69,367	133,321	184,028	42,872,854
2018	23,182,479	85,884	321,032	20,495,681	22,802	319,306	318,164	44,745,348



CITY OF TEMPLE TERRACE, FLORIDA

Table 6

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways & Public Works	Economic Development	Culture & Recreation	Interest and Other General Government	Water & Sewer	Sanitation	Special Items	TOTAL
2009	\$ 4,084,419	\$ 13,083,126	\$ 2,361,372	\$ 807,943	\$ 4,029,039	\$ 662,520	\$ 8,873,380	\$ 2,875,242	\$ (19,269,194)	\$ 17,507,847
2010	4,114,286	12,723,993	2,258,804	742,629	3,953,613	803,347	9,526,900	2,805,749	-	36,929,321
2011	3,980,313	13,130,360	2,384,940	2,305,198	4,046,833	821,790	9,808,604	2,822,207	-	39,300,245
2012	3,900,099	13,443,136	2,338,570	1,000,416	3,973,313	837,962	10,305,399	3,093,515	-	38,892,410
2013	3,876,690	13,454,784	2,167,279	21,692	3,882,710	868,701	9,802,084	2,965,440	-	37,039,380
2014	3,847,264	13,880,527	2,193,891	522	3,979,142	415,854	9,641,139	3,109,749	-	37,068,088
2015	4,889,652	13,790,072	1,414,185	94,120	4,029,260	487,670	9,950,108	3,091,486	-	37,746,553
2016	4,084,662	13,994,461	2,578,207	144,613	3,961,717	719,237	10,207,950	3,470,280	-	39,161,127
2017	3,934,517	15,865,516	2,462,894	104,227	3,837,790	685,104	10,075,846	3,577,213	-	40,543,107
2018	3,502,838	16,139,381	2,230,417	24,578	4,904,099	913,958	10,518,652	3,436,279	-	41,670,202

**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 7**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE**

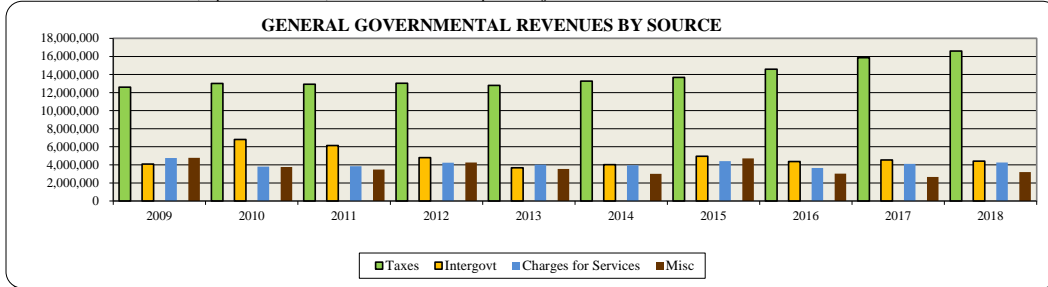
Fiscal Year	Last Ten Fiscal Years								
	Taxes	Licenses & Permits	InterGovt	Charges For Services	Fines And Forfeitures	Investment Earnings	Contributions	Other	TOTAL
2009	\$ 12,589,786	\$ 2,213,232	\$ 4,077,105	\$ 4,757,182	\$ 1,710,665	\$ 380,368	\$ 44,707	\$ 423,816	\$ 26,196,861
2010	13,017,443	2,221,279	6,810,376	3,800,496	751,591	176,448	47,716	562,421	27,387,770
2011	12,934,258	2,130,961	6,139,380	3,842,628	576,551	73,841	79,155	624,033	26,400,807
2012	13,021,553	2,061,898	4,796,594	4,237,744	788,489	134,856	600,996	667,898	26,310,028
2013	12,805,206	2,064,671	3,686,168	4,032,528	685,288	(2,312)	54,935	748,329	24,074,813
2014	13,262,249	2,017,310	4,011,413	3,963,372	449,747	77,247	112,512	340,276	24,234,126
2015	13,675,122	2,351,720	4,941,011	4,416,457	745,001	276,392	842,264	493,507	27,741,474
2016	14,593,675	2,360,318	4,360,329	3,653,272	190,095	57,605	197,043	216,802	25,629,139
2017	15,852,483	2,185,374	4,529,581	4,109,960	157,134	85,422	102,160	138,131	27,160,245
2018	16,604,502	2,481,931	4,416,439	4,258,697	220,566	210,030	118,453	179,809	28,490,427

Revised table to include local option gas tax and local option sales tax in the Taxes category, previously recorded in Intergovernmental.

**TAX REVENUES BY SOURCE**

Fiscal Year	Property Tax	Local Option Tax	Utility Tax	Communica-tions Svcs Tax	Local Business Tax	TOTAL TAXES
2009	\$ 6,966,685	\$ 1,691,849	\$ 2,120,788	\$ 1,587,044	\$ 223,420	\$ 12,589,786
2010	7,047,679	1,676,543	2,404,690	1,663,902	224,629	13,017,443
2011	7,043,990	1,705,046	2,294,274	1,650,780	240,168	12,934,258
2012	7,121,260	1,760,198	2,228,386	1,678,859	232,850	13,021,553
2013	6,935,502	1,759,178	2,211,444	1,643,243	255,838	12,805,205
2014	7,334,187	1,856,112	3,811,075	-	260,875	13,262,249
2015	7,679,632	1,947,482	2,400,541	1,398,859	248,608	13,675,122
2016	8,452,704	2,051,122	2,463,214	1,373,110	253,525	14,593,675
2017	9,509,915	2,119,070	2,557,318	1,390,004	276,176	15,852,483
2018	10,263,530	2,086,672	2,648,140	1,357,045	249,115	16,604,502

NOTE: Includes General, Special Revenue, Debt Service and Capital Project Funds.



# CITY OF TEMPLE TERRACE, FLORIDA

Table 8

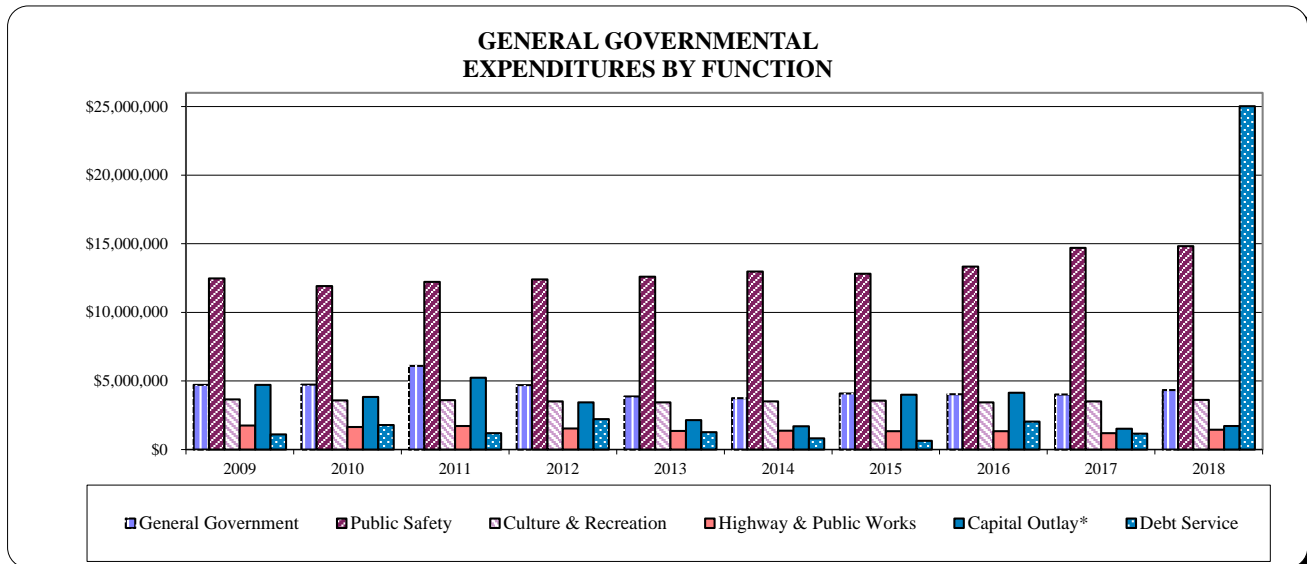
## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Culture & Recreation	Highway & Public Works	Capital Outlay*	Debt Service	TOTAL
2009	\$ 4,718,759	\$ 12,468,044	\$ 3,647,510	\$ 1,745,232	\$ 4,710,472	\$ 1,112,003	\$ 28,402,020
2010	4,731,907	11,919,349	3,575,879	1,647,345	3,842,919	1,794,195	27,511,594
2011	6,099,752	12,222,205	3,594,863	1,711,672	5,238,966	1,188,006	30,055,464
2012	4,690,547	12,397,480	3,516,949	1,534,495	3,445,880	2,224,543	27,809,894
2013	3,870,788	12,606,806	3,439,561	1,359,681	2,153,617	1,273,038	24,703,491
2014	3,743,156	12,979,074	3,515,786	1,378,734	1,700,019	823,037	24,139,806
2015	4,079,016	12,808,684	3,572,694	1,341,907	3,990,018	632,327	26,424,646
2016	4,023,549	13,330,262	3,441,957	1,336,109	4,147,878	2,041,778	28,321,533
2017	4,013,152	14,700,131	3,507,684	1,201,944	1,512,882	1,155,959	26,091,752
2018	4,336,604	14,817,011	3,616,480	1,444,507	1,706,285	25,018,579	50,939,466

NOTES:

Includes General, Special Revenue, Debt Service and Capital Project Funds.



# CITY OF TEMPLE TERRACE, FLORIDA

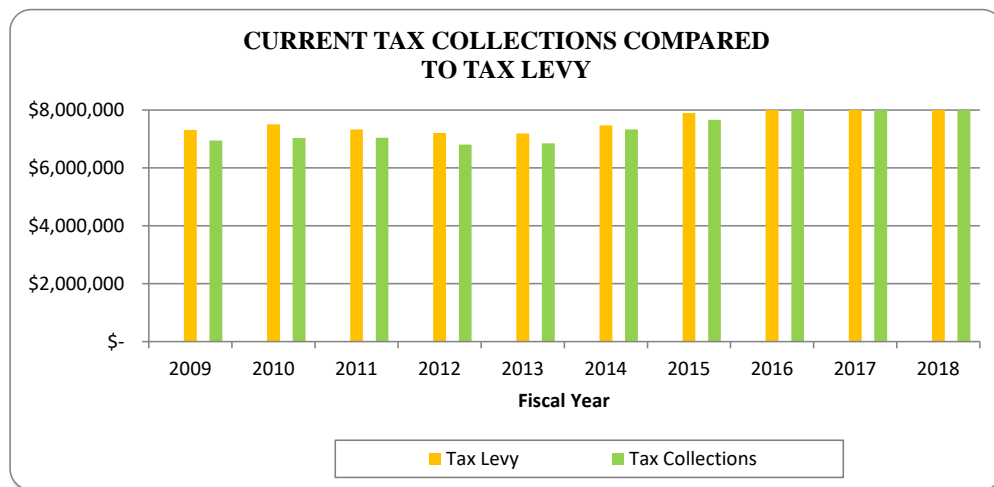
**Table 9**

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes As Percent Of Current Levy
2009	\$ 7,314,356	\$ 6,946,476	95.0%	\$ 109,450	\$ 7,055,926	96.5%	\$ 22,409	0.31%
2010	7,502,958	7,036,782	93.8%	112,562	7,149,344	95.3%	115,691	1.54%
2011	7,327,818	7,038,313	96.0%	230,978	7,269,291	99.2%	988	0.01%
2012	7,206,568	6,805,186	94.4%	287,654	7,092,840	98.4%	113,728	1.58%
2013	7,194,398	6,852,255	95.2%	-	6,852,255	95.2%	3,687	0.05%
2014	7,470,973	7,334,188	98.2%	1,066	7,335,254	98.2%	2,621	0.04%
2015	7,896,081	7,666,621	97.1%	13,011	7,679,632	97.3%	219,070	2.77%
2016	8,779,489	8,444,965	96.2%	7,739	8,452,704	96.3%	47,314	0.54%
2017	9,840,209	9,322,752	94.7%	187,163	9,509,915	96.6%	330,294	3.36%
2018	10,765,915	9,950,216	92.4%	143,109	10,093,325	93.8%	44,957	0.42%

Source: Hillsborough County Tax Collector



**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 10**

**ASSESSED AND ESTIMATED TRUE VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Less Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Net Estimated True Value</u>	<u>Ratio of Net Assessed to True Value</u>
2009	\$ 2,099,071,550	\$ 175,123,060	\$ 673,398,901	\$ 1,600,795,709	4.569	\$ 2,274,194,610	70%
2010	1,704,757,891	181,624,140	466,147,402	1,420,234,629	5.283	1,886,382,031	75%
2011	1,443,942,096	180,109,330	392,485,391	1,231,566,035	5.950	1,624,051,426	76%
2012	1,339,227,728	185,492,400	352,084,991	1,171,799,728	6.150	1,524,720,128	77%
2013	1,296,779,042	168,532,670	346,431,717	1,118,879,995	6.430	1,465,311,712	76%
2014	1,377,052,761	164,018,070	379,177,661	1,161,893,170	6.430	1,541,070,831	75%
2015	1,481,403,262	200,656,340	429,707,356	1,252,352,246	6.955	1,682,059,602	74%
2016	1,560,204,397	155,911,850	340,039,072	1,262,327,626	7.205	1,715,964,587	74%
2017	1,705,271,469	178,196,500	356,783,155	1,365,747,277	7.205	1,883,467,969	73%
2018	1,903,182,651	218,580,650	374,964,739	1,528,636,641	6.955	2,121,763,301	72%

# CITY OF TEMPLE TERRACE, FLORIDA

**Table 11**  
**PROPERTY TAX RATES - DIRECT**  
**AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

Overlapping Rates

Fiscal Year	City Operating Millage	County Operating Millage	School Operating Millage	Special Districts Operating Millage	TOTAL Millage Rates
2009	4.569	6.360	7.692	1.805	20.426
2010	5.283	6.359	7.592	1.789	21.023
2011	5.950	6.357	7.913	1.765	21.985
2012	6.150	6.355	7.877	1.583	21.965
2013	6.430	6.354	7.690	1.578	22.052
2014	6.430	6.352	7.353	1.490	21.625
2015	6.955	6.350	7.247	1.490	22.042
2016	7.205	6.350	6.906	1.436	21.897
2017	6.955	5.791	6.596	1.402	20.744
2018	6.555	5.791	6.414	1.369	20.130

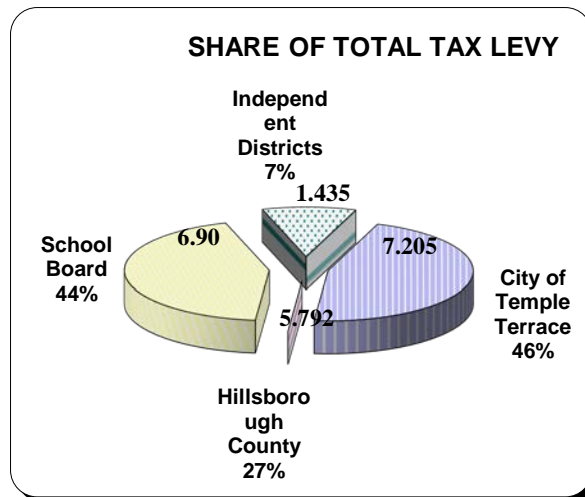
NOTES:

(A) Tax rates are per \$1,000 of assessed valuation.

(B) Tax levies include only that portion levied within the City limits.

SOURCE:

Hillsborough County Tax Collector - Form DR529



**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 12**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		Total Primary Government	Percentage Of Personal Income	Debt Per Capital
	Capital Improvement Notes	Capital Leases Payable	Utility System Revenue Bonds	Capital Leases Payable			
2009	\$ 25,762,662	\$ 95,334	\$ 4,840,000	\$ 40,857	\$ 30,738,853	4.98%	\$ 1,252.55
2010	25,550,033	72,966	4,205,000	31,270	29,859,269	4.83%	1,221.64
2011	27,482,340	49,648	3,540,000	21,277	31,093,265	5.03%	1,270.67
2012	27,109,164	25,340	2,855,000	10,869	30,000,363	4.58%	1,203.92
2013	26,846,267	-	2,145,000	-	28,991,267	4.22%	1,145.58
2014	26,439,086	-	1,410,000	-	27,849,086	3.64%	1,097.41
2015	27,894,429	-	635,000	-	28,529,429	N/A	1,115.87
2016	26,646,888	-	325,000	-	26,971,888	N/A	1,044.61
2017	26,971,033	-	325,000	-	26,971,033	3.43%	1,021.20
2018	25,716,412	-	-	-	25,716,412	3.28%	969.99

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
See demographic and economic statistics in table 15 for personal income and population data.

N/A - Information is not available.

**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 13**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

As of September 30, 2018

	Net Debt Outstanding	APPLICABLE TO CITY OF TEMPLE TERRACE	
		%	Amount (A)
<u>DIRECT DEBT</u>			
City of Temple Terrace	<u>\$ 25,716,412 (B)</u>	100.00%	<u>\$ 25,716,512</u>
<u>OVERLAPPING DEBT</u>			
School Board of Hillsborough County,	\$ 900,596,516	1.61%	\$ 14,490,339
Hillsborough County, County-Wide			
Debt Service	<u>986,000,000</u>	1.61%	<u>15,864,456</u>
TOTAL AD VALOREM SUPPORTED DEBT	<u>\$ 1,886,596,516</u>		<u>\$ 30,354,795</u>
Total Direct and Overlapping			<u>\$ 56,071,307</u>
<u>RATIOS</u>			
Overall Debt to 2018 Taxable Valuation		2.42%	
Overall Debt per Capita		1,187.26	

NOTES: (A) Determined by ratio of valuation of property subject to taxation in the City of Temple Terrace to assessed valuation of property subject to taxation in the overlapping unit.

(B) Includes subsequent event of refunding revenue note for \$23,540,000 less the amount due within one year \$274,241



**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 14**

**SCHEDULE OF REVENUE BOND COVERAGE**

Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Gross Revenue (A)	Expenses (B)	Net Revenue Available For Debt Service	DEBT SERVICE REQUIREMENTS			Coverage
				Principal	Interest	Totals	
<b>WATER AND SEWER UTILITY:</b>							
2008	\$ 8,238,678	\$ 4,514,206	\$ 3,724,472	\$ 598,822	\$ 225,572	\$ 824,394	4.518
2009	8,216,456	4,502,432	3,714,024	624,196	203,835	828,031	4.485
2010	9,013,917	4,618,136	4,395,781	644,587	181,099	825,686	5.324
2011	9,849,409	4,498,594	5,350,815	674,993	157,644	832,637	6.426
2012	10,199,253	4,635,769	5,350,815	674,993	157,644	832,637	6.619
2013	10,245,855	4,594,292	5,651,563	720,859	107,560	828,419	6.822
2014	10,365,058	4,638,239	5,726,819	735,000	81,363	816,363	7.015
2015	10,627,687	4,854,213	5,773,474	635,000	39,899	674,899	8.555
2016	11,476,512	4,993,152	6,483,360	325,000	13,508	338,508	19.153
2017	12,022,271	5,065,765	6,956,506	325,000	13,507	338,507	20.551
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES: (A) Includes interest earnings

(B) Operating expenses exclude depreciation and payments to the City of Tampa

N/A not Enterprise debt outstanding

SOURCE: City of Temple Terrace

# CITY OF TEMPLE TERRACE, FLORIDA

**Table 15**

## DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (A)	Personal Income	Per Capita Money Income (F)	Median Age (E)	Median Education Level in Years of Formal Schooling (C)	School Enrollment (B)	UNEMPLOYMENT RATE (D)		
							Hillsborough County	State of Florida	United States
2009	23,906	\$ 693,034,940	\$ 28,990	36.0	13.5	2,799	10.6%	10.4%	9.3%
2010	24,442	615,180,698	25,169	36.1	14.1	2,663	10.7%	11.0%	9.6%
2011	24,442	617,576,014	25,267	33.3	14.1	2,722	9.6%	10.0%	9.0%
2012	24,919	654,946,077	26,283	33.4	14.1	2,652	7.9%	8.5%	8.1%
2013	25,307	687,059,743	27,149	33.4	14.1	2,574	6.6%	7.2%	7.4%
2014	25,377	765,776,352	30,176	34.5	14.2	2,609	5.8%	6.3%	6.2%
2015	25,567	N/A	N/A	35.2	N/A	2,551	5.1%	5.4%	5.3%
2016	25,820	N/A	N/A	35.2	N/A	3,992	4.4%	4.8%	5.0%
2017	26,411	785,859,305	29,755	35.2	14.2	3,543	3.8%	4.2%	4.7%
2018	26,512	783,668,208	29,559	35.3	13.2	2,551	3.3%	3.7%	3.9%

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

NOTE: Specific statistics for per capita income, median age, education level in years of formal schooling, and unemployment rate are available for the City of Temple Terrace only for census years. The Hillsborough County-wide average has been substituted for informational comparisons only. Where noted "N/A", statistical information was not available at this time.

# CITY OF TEMPLE TERRACE, FLORIDA

**Table 16**

## PRINCIPAL TAXPAYERS

### Current and Ten Years Ago

Taxpayers	Type of Business	2018			2009		
		2017 Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	2008 Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Park at Valenza	Apartments	\$ 58,715,500	1	3.39%			
Verizon Data Services Inc	Offices	49,569,630	2	2.87%	\$ 48,904,400	1	3.06%
Woodspring Suites	Offices	36,242,682	3	2.10%			
Addison at Tampa Oaks	Apartments	31,957,500	4	1.85%			
Intellicenter	Offices	29,703,000	5	1.72%			
Boardwalk at Morris Bridge	Apartments	21,942,000	6	1.27%	15,846,800	5	0.99%
Telecom Riverside LLC	Offices	20,581,100	7	1.19%			
Tampa Oaks I	Offices	19,505,700	8	1.13%			
AIMCO Fisherman's Landing	Apartments	17,624,255	9	1.02%	14,934,900	6	0.93%
G&I VI Laurel Oaks LLC	Apartments	14,050,036	10	0.81%	10,604,000	11	0.66%
Florida Orthopaedic Institute	Medical Ce	13,791,000.00	11				
United Dominion Realty Trust DBA Summit West	Apartments	13,522,561	12	0.78%	13,281,400	8	0.83%
AIMCO Doral Oaks	Apartments	13,379,400	13	0.77%	13,477,900	9	0.84%
Tampa Oaks II	Offices	12,355,860	14				
Hilton Garden Inn	Hotel	12,337,700	15				
College Court	Apartments	11,517,110	16	0.67%	11,218,100	12	0.70%
Real Sub LLC	Shopping Ce	11,110,300	17	0.64%			
Terrace Plaza-Winn Dixie	Shopping Ce	10,611,500	18	0.61%			
Cedar Cove	Apartments	9,504,000	19	0.55%			
HTA 13020 Telecom LLC C/O George Mcelroy &	Offices	8,966,221	20	0.52%			
River Chase at River Hills	Apartments			0.00%	45,229,700	2	2.83%
Osprey Tampa Oaks, LLC	Offices			0.00%	20,893,700	3	1.31%
LSREF3 Bravo LLC C/O Altus Group	Offices			0.00%			
Terrace Ridge Acquisition Company LLC C/O Pub	Offices			0.00%			
W/E Temple Terrace LLC C/O Wesport Capital Pa	Offices			0.00%			
KRG Temple Terrace LLC	Offices			0.00%			
Southeast Residential Recovery Fund VIII LLC	Offices			0.00%			
Lepanto Realty Corp	Offices			0.00%			
Leslie Controls	Offices			0.00%			
Temple Terrace Plaza LLC	Offices			0.00%			
Normandy United LLC	Offices			0.00%			
Tampa Bay Office Investors LLC	Offices			0.00%	19,990,000	4	1.25%
FAO Tampa LLC	Offices			0.00%	13,514,900	7	0.84%
GI Tampa North Realco LLC	Hotel			0.00%	12,108,000	10	0.76%
Glenborough Properties	Offices			0.00%			
Brentwood Apartments Tampa LLC	Apartments			0.00%			
Columbia Temple Terrace	Offices			0.00%	10,389,200	13	0.65%
Total Principal Property Taxpayers		<u>\$ 358,271,555</u>		<u>20.72%</u>	<u>\$ 250,393,000</u>		<u>15.64%</u>
Total Assessed Value		<u>\$ 1,729,481,728</u>			<u>\$ 1,600,795,709</u>		

SOURCE: Hillsborough County Property Appraiser Real Estate Tax Rolls

NOTE: Blank information in Taxable Assessed Value does not mean the business no longer exists.

**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 17**

**LARGEST EMPLOYERS IN HILLSBOROUGH COUNTY**

Current and Ten Years Ago

Employer	Type of Business	2018			2009		
		Employees	Rank	Percentage of Total County Employees	Employees	Rank	Percentage of Total County Employees
Hillsborough County School District	Public Education	25,473	1	3.5%	25,596	1	4.2%
HCA West Florida	Medical Facility	16,461	2	2.2%			
MacDill Air Force Base	Central Command HQ	12,000	3	1.6%	6,734	6	1.1%
Hillsborough County Government	Government	10,600	4	1.4%	12,246	2	2.0%
Tampa International Airport	International Airport	7,500	5	1.0%	7,500	5	1.2%
Tampa General Hospital	Medical Facility	6,500	6	0.9%	6,020	7	1.0%
Publix Super Markets	Supermarket	6,086	7	0.8%	5,714	8	0.9%
Bloomin Brands	Restaurant	5,300	8	0.7%			
J.P. Morgan Chase	Financial Institution	4,733	9	0.6%			
Citibank	Financial Institution	4,000	10	0.5%			
St. Joseph's Hospital	Medical Facility	3,501	11	0.5%			
Humana	Insurance	3,500	12	0.5%			
Busch Gardens	Entertainment & Recrea	3,500	13	0.5%			
University of South Florida	Education	3,300	14	0.4%	8,600	3	1.4%
Wellcare Healthcare	Healthcare	3,190	15	0.4%			
Sweetbay Supermarkets	Supermarket	2,834	16	0.4%			
Tampa Electric	Power Company	2,500	17	0.3%			
Caspars Company	Food Service	2,470	18	0.3%			
Hillsborough Community College	Education	2,454	19	0.3%			
Verizon Communications	Telecommunications				7,850	4	1.3%
James A. Haley Veterans Hospital 5900	Medical Facility				4,900	9	0.8%
U.S. Postal Service	Government Service				4,150	10	0.7%
Total Principal Employers		<u>125,902</u>			<u>89,310</u>		

Hillsborough County Total Labor Force \*

734,604

605,536

2018 SOURCE: <https://suncoastjobs.com/largest-suncoast-employers.html>

**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 18**

**PRINCIPAL UTILITY CUSTOMERS**

Current and Ten Years Ago

Customer	Classification	2018			2009		
		Consumption (In Gallons)	Rank	Percentage of Consumption Billed	Consumption (In Gallons)	Rank	Percentage of Consumption Billed
MEADOWDOOD CONDOMINIUMS	Apartments	31,257,340	1	3.84%	20,471,000	2	2.62%
LAMPLIGHTER	Mobile Home Park	27,948,300	2	3.43%	25,917,200	1	3.32%
HILLSBOROUGH COUNTY B/O/C/C	Commercial	24,202,950	3	2.97%			0.00%
The Falls (Arbors at Fletcher Island)	Apartments	17,603,729	4	2.16%	11,898,700	7	1.52%
THE PARK AT VALENZA	Apartments	16,386,440	5	2.01%			0.00%
THE PARK AT VALENZA	Apartments	15,735,807	6	1.93%			0.00%
SOUTHERN COVE APARTMENTS	Apartments	14,864,839	7	1.82%			0.00%
BOARDWALK AT MORRIS BRIDGE LL	Apartments	14,408,525	8	1.77%	15,672,500	5	2.01%
THE PARK AT VALENZA	Apartments	13,801,905	9	1.69%			0.00%
JMJ DORAL OAKS LLC	Apartments	13,166,500	10	1.62%			0.00%
TERRACE COURT APTS	Apartments						0.00%
VICTORIA TERRACE HOMEOWNE	Apartments				11,998,400	6	1.54%
UNITED DOM./SUMMIT WEST	Apartments				10,259,880	9	1.31%
MID AMERICA APTS, L.P	Apartments						0.00%
VERIZON DATA SERVICES INC	Commercial				20,388,800	3	2.61%
CENTRAL PARK APARTMENTS	Apartments						0.00%
THE PRESERVE AT TEMPLE TERRACE	Apartments				19,808,480	4	2.54%
AUTUMN PLACE APARTMENTS	Apartments						0.00%
TAMPA OAKS APARTMENTS	Apartments						0.00%
HILTON HOTELS	Commercial						0.00%
RMC UE LLC	Commercial						0.00%
THE PARK APARTMENTS	Apartments						0.00%
RIVERCHASE	Apartments				10,284,700	8	1.32%
G& I VILAUREL OAKS	Apartments				10,182,200	10	1.30%
Total water and sewer consumption billed		814,624,196			781,076,876		

SOURCE: City of Temple Terrace Utility Billing System

NOTE: Blank consumption information does not mean the business no longer exists.

**CITY OF TEMPLE TERRACE, FLORIDA**

**Table 19**

**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION**

**Last Ten Fiscal Years**

<b>FUNCTION</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><i>General Government</i></b>										
Legislative	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Executive	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.00
Human Resources	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.00
Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Finance	6.15	6.15	6.15	6.09	5.89	5.89	5.89	5.49	5.89	5.89
Community Development	10.50	10.00	10.00	10.00	9.00	8.00	8.00	7.00	8.00	7.00
Legal										2.00
	<b>29.85</b>	<b>29.35</b>	<b>29.35</b>	<b>29.29</b>	<b>28.09</b>	<b>27.09</b>	<b>27.09</b>	<b>25.69</b>	<b>27.09</b>	<b>28.39</b>
<b><i>Public Safety</i></b>										
Code Compliance	5.00	4.50	4.50	4.50	4.12	4.12	4.12	4.12	4.12	4.96
Police										
Officers	52.00	54.00	52.00	53.00	52.00	52.00	54	53.00	53.00	55.00
Civilians	24.63	21.63	24.63	23.63	22.63	22.63	21.63	19.63	18.00	18.00
Fire										
Firefighters and Officers	43.00	49.50	50.00	50.00	50.00	50.00	50.00	50.00	50.00	51.00
Civilians	7.50	7.00	7.00	7.00	7.08	7.58	7.33	7.08	7.08	7.08
	<b>132.13</b>	<b>136.63</b>	<b>138.13</b>	<b>138.13</b>	<b>135.83</b>	<b>136.33</b>	<b>137.08</b>	<b>133.83</b>	<b>132.20</b>	<b>136.04</b>
<b><i>Public Works</i></b>										
Administration	4.50	3.50	3.50	4.25	4.75	5.00	4.00	4.00	4.00	5.00
Streets Maintenance	8.45	7.20	6.15	6.15	5.15	5.15	5.15	5.15	5.15	4.15
Facility Maintenance	5.15	4.65	3.65	3.65	2.65	2.65	2.65	2.65	2.65	2.50
Engineering	3.50	3.50	3.50	3.25	1.85	1.85	1.85	1.85	1.85	2.85
	<b>21.60</b>	<b>18.85</b>	<b>16.80</b>	<b>17.30</b>	<b>14.40</b>	<b>14.65</b>	<b>13.65</b>	<b>13.65</b>	<b>13.65</b>	<b>14.50</b>
<b><i>Economic Development</i></b>										
Redevelopment (CRA)	1.50	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00
	<b>1.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b><i>Culture &amp; Recreation</i></b>										
Library	12.53	12.53	12.53	12.53	12.50	12.50	12.50	12.50	12.50	12.50
Parks & Recreation	58.79	55.58	54.48	54.71	53.44	53.44	53.44	53.44	53.44	43.44
	<b>71.32</b>	<b>68.11</b>	<b>67.01</b>	<b>67.24</b>	<b>65.94</b>	<b>65.94</b>	<b>65.94</b>	<b>65.94</b>	<b>65.94</b>	<b>55.94</b>
<b><i>Physical Environment</i></b>										
Finance - Utility Services	8.65	8.65	8.65	7.46	7.16	7.16	7.16	7.56	7.56	7.56
PW - Water	15.15	15.15	15.15	14.45	14.55	14.55	14.55	16.70	17.70	17.70
PW - Sewer	10.60	10.60	10.60	10.40	9.30	9.30	9.30	9.30	8.30	8.30
PW - Renewal & Replacemer	3.15	3.15	3.15	3.15	2.15	2.15	2.15	2.15	2.15	2.15
Sanitation	17.60	17.60	16.65	15.55	14.70	14.70	14.70	14.70	14.70	13.70
Parks and Grounds Maintenance										10.00
	<b>55.15</b>	<b>55.15</b>	<b>54.20</b>	<b>51.01</b>	<b>47.86</b>	<b>47.86</b>	<b>47.86</b>	<b>50.41</b>	<b>50.41</b>	<b>59.41</b>
<b><i>Internal Services</i></b>										
Fleet Maintenance	4.15	4.15	4.15	4.65	4.40	4.15	4.15	4.15	4.15	4.15
	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>	<b>4.65</b>	<b>4.40</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>	<b>4.15</b>
<b>TOTAL</b>	<b>315.70</b>	<b>312.24</b>	<b>309.64</b>	<b>307.62</b>	<b>296.52</b>	<b>297.02</b>	<b>296.77</b>	<b>294.67</b>	<b>294.44</b>	<b>299.43</b>

Source: City of Temple Terrace Annual Budget

# CITY OF TEMPLE TERRACE, FLORIDA

## Table 20

### CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>FUNCTION:</u></b>										
Area: Land (square miles)	7.06	7.30	7.36	7.36	7.38	7.39	7.39	7.43	7.45	7.53
<b><i>Public Safety:</i></b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b><i>Streets and Drainage:</i></b>										
Paved streets (miles)	75.56	75.56	76.25	76.13	76.13	76.13	78.88	78.52	78.52	78.52
Unimproved streets (miles)	0.07	0.07	0.07	0.41	0.07	0.07	0.32	0.32	0.32	0.32
Street Lights (#)	2,725	2,725	2,725	2,725	2,789	2,789	2,800	2,800	2,800	2,800
Storm Sewers (miles)	27.11	27.11	27.11	28.00	36.70	36.70	36.70	36.70	36.70	36.70
<b><i>Culture and Recreation:</i></b>										
<b><i>Library:</i></b>										
Branches	1	1	1	1	1	1	1	1	1	1
Holdings	101,947	102,010	102,010	98,500	98,061	98,061	94,700	94,700	94,700	96,991
<b><i>Parks and Recreation:</i></b>										
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Fitness Center	1	1	1	1	1	1	1	1	1	1
Parks facilities	27	27	27	28	28	28	28	28	28	28
Parks acreage	413.52	413.52	413.52	416.34	417.67	417.84	419.50	419.50	419.50	419.50
Playgrounds	9	9	9	9	10	10	10	10	10	10
Softball diamonds	3	3	3	3	2	2	3	3	3	3
Tennis courts	15	15	15	15	14	14	14	14	14	14
Basketball courts	6	6	6	6	6	6	6	6	6	6
Soccer fields	9	9	9	9	8	8	8	8	8	8
Racquetball/Handball courts	6	6	6	6	6	6	6	6	6	6
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Baseball fields	10	10	10	10	10	10	10	10	10	10
Football fields	0	0	0	1	0	0	0	0	0	0
<b><i>Sanitary Sewers:</i></b>										
Sewer mains (miles)	94.63	94.67	94.67	94.75	98.34	97.78	94.78	102.88	102.88	102.88
Equivalent Connections	11,645	11,655	11,655	11,727	11,743	7,047*	7,053*	7,055	7,055	9,881
Lift Stations	30	30	30	30	30	30	30	30	30	30
Force main (feet)	152,563	152,605	152,780	152,915	159,613	152,950	152,950	152,950	152,950	152,950
Gravity main (feet)	347,078	347,275	347,325	347,410	359,638	347,450	347,450	347,450	347,450	414,374
<b><i>Water:</i></b>										
Mains (miles)	120.75	121.00	121.00	121.30	123.75	123.50	123.50	123.75	123.75	123.75
Equivalent Connections	12,128	12,137	12,137	12,263	12,288	10,050*	10,052*	10,100	10,100	10,248
Wells	10	10	10	10	10	10	10	10	10	10
Fire Hydrants:										
Inside City	640	643	645	645	648	648	649	649	649	669
Service Area	210	211	211	218	220	220	218	218	218	224

\* Changed from equivalent connections to actual connections in 2013-14.

CITY OF TEMPLE TERRACE, FLORIDA

Table 21

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

<b><u>FUNCTION:</u></b>	2003	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>Public Safety:</u></b>															
<b><u>Police:</u></b>															
Calls for service	11,797	15,656	32,047	29,941	34,720	38,055	32,530	31,232	32,562	34,832	38,548	32,500	27,152	27,300	25,935
Traffic citations	4,308	4,326	3,727	3,641	7,245	6,867	5,522	5,049	5,275	3,894	3,982	3,022	1,874	2,518	2,550
Traffic accidents	584	324	329	327	373	346	325	171	254	446	477	465	449	434	423
Boating citations	3	63	73	39	44	23	153	32	16	11	15	7	7	10	10
Part I cases reported	1,109	1,076	1,114	945	1,063	1,002	1,028	826	802	714	821	884	826	810	770
Part II cases reported	684	718	815	773	895	1,086	1,094	910	1,055	856	869	821	820	746	708
9-1-1 calls	9,391	7,324	9,827	10,493	10,156	10,042	9,180	11,517	12,553	12,225	13,300	14,600	16,643	16,750	16,770
<b><u>Fire:</u></b>															
Fire incidents	1,000	1,414	1,020	893	804	907	946	1,070	914	846	1,050	915	956	920	1,000
Medical incidents	1,960	2,034	1,920	2,033	2,038	2,153	2,149	2,233	2,154	2,181	2,250	2,662	2,729	2,680	2,800
Medical transports	1,186	1,309	1,248	1,347	1,552	1,692	1,709	1,900	1,723	1,740	1,900	1,993	1,985	1,950	2,000
<b><u>Community Development:</u></b>															
Permits issued	1,620	2,100	2,603	1,966	1,746	1,571	1,899	1,903	1,779	2,020	1,756	1,800	2,360	2,219	3,157
Value of permits issued (in millions)	\$34.90	\$60.00	\$59.00	\$68.48	\$87.10	\$28.29	\$23.87	\$23.23	\$24.25	\$38.54	\$35.86	\$45.24	\$40.27	\$47.29	\$29.96
<b><u>Streets and Drainage:</u></b>															
Linear feet sidewalk repaired/replaced	1,212	1,055	1,346	718	970	609	622	12,658	32,964	11,162	6,667	6,667	6,667	6,667	732
Linear feet of curbing replaced	195	108	78	68	71	70	285	202	326	680	200	200	200	200	60
Curb miles swept	1,000	1,338	1,000	972	850	755	441	467	694	836	650	650	650	650	999
<b><u>Culture and Recreation:</u></b>															
<b><u>Library:</u></b>															
Library service hours	3,355	3,335	3,350	3,360	2,979	2,580	2,564	2,604	2,600	2,612	2,600	2,600	2,591	2,591	2,561
Internet users	51,057	63,624	90,000	93,371	91,518	93,884	98,044	70,440	76,195	73,755	72,000	70,500	54,765	54,765	51,572
Circulation per year	327,693	330,466	345,160	350,945	328,188	333,256	340,431	372,983	454,914	450,965	426,900	378,510	394,910	394,910	320,773
Library card holders	52,500	55,843	58,845	64,151	64,151	65,968	68,096	35,940	37,989	48,942	44,067	47,000	47,080	47,080	46,729



CITY OF TEMPLE TERRACE, FLORIDA

Table 21 (continued)

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

<b>FUNCTION:</b>	2003	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><i>Parks and Recreation:</i></b>															
Summer youth participants	309	295	281	299	282	300	280	183	277	277	275	275	257	275	275
After school participants	178	178	180	180	160	155	160	132	159	131	130	130	152	130	150
Open swim visitors	66,605	62,511	54,625	55,368	50,790	52,405	55,000	43,149	36,874	30,087	32,000	35,125	28,626	28,000	28,000
Senior center annual participants	16,261	15,105	15,602	13,690	11,431	10,972	11,452	11,536	11,835	12,913	12,466	12,000	12,356	12,784	13,000
Special interest class participants	2,134	2,415	2,905	3,030	3,119	3,030	3,000	4,584	7,901	9,156	10,554	11,500	11,756	11,720	12,500
<b><i>Sanitary Sewers:</i></b>															
Number of customers	6,134	6,160	6,317	6,408	6,427	6,390	6,363	6,368	6,381	6,402	6,430	6,430	6,450	6,500	6,600
Gallons wastewater pumped (millions)	737	700	619	706	741	716	720	716	726	714	725	725	754	754	794
<b><i>Water:</i></b>															
Number of meters in system	9,095	9,157	9,665	9,801	9,865	9,670	9,835	9,869	9,895	9,930	10,050	10,050	10,078	10,100	10,100
Gallons raw water pumped (ten millions)	1,342	1,457	1,584	1,462	1,367	1,322	1,350	1,364	1,346	1,255	1,375	1,272	1,302	1,422	1,452
<b><i>Sanitation:</i></b>															
Tons of commercial waste collected	5,485	5,763	6,200	6,511	6,200	6,084	5,985	5,726	5,881	5,926	6,000	6,200	6,845	6,386	7,000
Tons of residential waste collected	6,853	7,404	7,227	6,790	7,452	6,596	5,590	5,551	5,347	5,359	5,600	6,001	6,595	6,061	6,080
Tons of special trash pickup collected	653	597	780	792	860	293	438	350	193	300	325	331	750	738	1,900
<b><i>Fleet Maintenance:</i></b>															
Number of vehicles/equipment	175	187	204	207	212	212	208	205	203	206	210	205	205	205	211
Repair orders completed	1,525	1,317	1,200	1,320	1,890	1,980	2,498	2,754	2,276	2,508	2,471	1,245	2,400	2,400	1,600
Preventive maintenance orders	229	206	160	272	424	424	355	281	283	289	318	167	410	410	103

Source: City of Temple Terrace Annual Budget

# CITY OF TEMPLE TERRACE, FLORIDA

## Table 22

### WATER AND SEWER FUND STATISTICAL DATA

Last Ten Fiscal Years

Fiscal Year	# OF EQUIVALENT CONNECTIONS		Total Operating Revenue	Operating Expenses	Non- Revenue	Non-operating Expenses	Net Income Before Transfers And Special Item
	Water	Sewer					
2008	12,116	11,640	\$ 7,924,124	\$ 8,700,728	\$ 1,077,438	\$ 262,762	\$ 38,072
2009	12,128	11,645	7,852,306	8,590,850	391,988	276,169	(622,725)
2010	12,137	11,655	8,880,252	9,309,487	175,018	217,413	(471,630)
2011	12,145	11,657	9,798,141	9,614,816	52,741	193,788	42,278
2012	12,263	11,727	10,111,117	10,137,498	88,136	167,901	(106,146)
2013	12,288	11,743	10,250,778	9,592,222	(4,754)	209,862	443,940
2014	10,050*	7,047*	10,322,234	9,557,947	44,763	83,191	725,859
2015	10,055*	7,055*	10,573,064	10,127,790	58,501	56,497	447,278
2016	10,065	7,100	11,452,554	10,122,651	23,958	26,391	1,327,470
2017	10,096	9,664	12,022,271	10,060,956	44,627	14,890	1,991,052
2018	10,128	9,726	12,295,439	10,516,359	100,315	2,293	1,877,102

Fiscal Year	Water Impact Fees	Sewer Impact Fees	Total Impact Fees
2009	\$ 30,599	\$ 3,600	\$ 34,199
2010	35,409	13,200	48,609
2011	3,181	1,200	4,381
2012	82,891	15,200	98,091
2013	111,980	26,600	138,580
2014	24,232	211,200	235,432
2015	860,371	7,200	867,571
2016	225,728	45,200	270,928
2017	39,175	8,800	47,975
2018	122,790	2,400	125,190

Note: Non-operating revenue includes impact fees provided in the table above.

## CITY OF TEMPLE TERRACE, FLORIDA

Table 23

### WATER PRODUCTION DATA (IN MILLIONS OF GALLONS)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Yearly Total</u>	<u>Monthly Peak</u>	<u>Monthly Average</u>	<u>Daily Peak</u>	<u>Daily Average</u>	<u>Rainfall (Inches)</u>
2009	1,219.9	112.9	101.5	4.9	3.3	56.38
2010	1,167.7	129.3	97.3	5.7	3.2	53.87
2011	1,225.2	122.3	102.1	4.8	3.3	56.23
2012	1,199.4	116.2	100.0	4.7	3.3	62.39
2013	1,147.2	103.6	95.6	3.8	3.2	65.32
2014	1,131.2	104.3	94.2	4.8	3.1	61.42
2015	1,180.3	108.1	98.8	5.1	3.2	75.62
2016	1,034.5	100.5	86.2	4.8	2.9	70.73
2017	1,091.3	101.2	90.9	4.8	3.0	45.39
2018	1,296.7	117.1	108.1	5.0	3.6	89.37



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank

## **COMPLIANCE SECTION**



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank



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

Honorable Mayor and  
Members of the City Council  
City of Temple Terrace, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the City of Temple Terrace, Florida (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. On the following page, we did identify deficiencies in internal control, one that we consider to be a material weakness (2017-002) and one that we consider a significant deficiency (2017-001).

## **CURRENT-YEAR STATUS OF PRIOR YEAR FINDINGS**

### **2017-002 – Internal Control over Cash Reconciliation**

#### **Type of Finding – Material Weakness**

##### **Condition:**

During our audit of the City's financial statements, we performed testing of the City's controls over cash. During these procedures, we noted that cash had not been reconciled during the fiscal year. The September 2017 cash reconciliation was completed in March 2018, with an unreconciled difference of \$23,504.

##### **Effect:**

Monthly bank account reconciliations are important internal control procedures relating to the City's cash accounts. Unreconciled amounts should be investigated and not be allowed to carry over from month-to-month.

##### **Cause:**

Turnover in the City's Finance Department created a lack of management oversight.

##### **Criteria:**

To ensure timely financial accounting and reporting, controls over cash should include timely bank reconciliations to ensure that any errors are identified and corrected on a timely basis (no later than 30 days following month-end).

##### **Recommendation:**

We recommend that the City evaluate its controls over cash to ensure that the City completes its bank reconciliations in a timely manner.

##### **Current-Year Status:**

This was deemed a significant deficiency in fiscal year 2017, however, the unreconciled difference in the September 2018 cash reconciliation grew to \$299,291. This finding is a material weakness in the current year.

##### **Management Response:**

Management agrees that cash reconciliation is a result of issues internal in both process and the system. As a result, the staff was re-trained on reconciling from the utilities module to the general ledger, as the issues have been pinpointed to that. We have reconciled cash going into the bank. We have been working with our vendor and other Florida cities that have had similar problems with cash reconciliation in order to remedy this going forward.



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

**2017-001 – Audit Adjustments**

**Type of Finding – Significant Deficiency**

**Condition:**

During our audit of the current-year financial statements, we noted several account balances that required audit adjustments, such as cash and investments, accounts receivables, capital assets, pensions, accounts payable, and accrued liabilities.

**Effect:**

Material adjustments were proposed and subsequently recorded by the City to correct the misstatements.

**Cause:**

Turnover in the City's Finance Department created a lack of management oversight.

**Criteria:**

The City's management is responsible for establishing and maintaining internal controls over financial accounting and reporting to ensure the financial statements are fairly presented in conformity with U.S. GAAP.

**Recommendation:**

We recommend that the City's management strengthen internal controls and procedures over financial accounting and reporting.

**Current-Year Status:**

This was deemed a material weakness in fiscal year 2017. There were fewer audit adjustments required during the fiscal year 2018 audit, therefore, this finding is downgraded to a significant deficiency in the current year.

**Management Response:**

We have since developed a more robust closing procedure and checklist that will document a more formal process. Further delegation of duties among our now experienced staff will assist the finance team in eliminating this finding for the upcoming FY19 audit.

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

### **Compliance and Other Matters**

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

Pursuant to the provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated March 26, 2019.

### **Response to Findings**

The City's response to the findings identified in our audit is described in the management response on the previous pages. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
March 26, 2019



## **INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

Honorable Mayor and  
Members of the City Council  
City of Temple Terrace, Florida

### **Report on Financial Statements**

We have audited the financial statements of the City of Temple Terrace, Florida (the City) as of and for the year ended September 30, 2018, and have issued our report thereon dated March 26, 2019.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

### **Other Reporting Requirements**

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 26, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. See the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* for findings from the previous financial audit report that have not been resolved in the current year. Finding 2017-001 was also included in the second preceding fiscal year financial audit report.

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

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

Honorable Mayor and  
Members of the City Council  
City of Temple Terrace, Florida

**Financial Condition and Management (*Continued*)**

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

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

**Additional Matter**

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

**Purpose of this Letter**

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

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A." The signature is written in a cursive, flowing style.

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
March 26, 2019



## INDEPENDENT ACCOUNTANT'S REPORT

Honorable Mayor and  
Members of the City Council  
City of Temple Terrace, Florida

We have examined the City of Temple Terrace, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Tampa, Florida  
March 26, 2019



# TEMPLE TERRACE

*Amazing City. Since 1925.*

This page is left intentionally blank