

*City of Tarpon Springs,  
Florida*

*Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2019*

***CITY OF TARPON SPRINGS, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended September 30, 2019***

***MAYOR AND BOARD OF COMMISSIONERS***

***Chrisostomo Alahouzos, Mayor  
Townsend Tarapani, Vice-Mayor  
Rea Sieber, Commissioner  
Jacob Karr, Commissioner  
Connor Donovan, Commissioner***

***ADMINISTRATION***

***Mark G. LeCouris, City Manager  
Ron Harring, Finance Director  
Michelle Mims, Assistant Finance Director  
Irene S. Jacobs, City Clerk  
Thomas Trask, City Attorney***

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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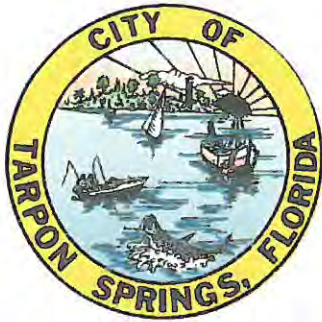
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## ***INTRODUCTORY SECTION***

***Letter of Transmittal***

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

***Organizational Chart***



## *City of Tarpon Springs, Florida*

324 E. PINE STREET  
P.O. BOX 5004  
TARPON SPRINGS, FLORIDA 34688-5004  
(727) 942-5612  
FAX (727) 942-5637

March 26, 2020

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

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Tarpon Springs, Florida (the "City") for the Fiscal Year ended September 30, 2019.

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

The City of Tarpon Springs' financial statements have been audited by MSL, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tarpon Springs for the Fiscal Year ended September 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tarpon Springs' financial statements for the Fiscal Year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, (Page B-1).



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

### **Profile of the Government**

The City of Tarpon Springs is a municipal corporation originally chartered by the State of Florida in 1887. The current City Charter was approved by referendum vote and was adopted in accordance with provisions of the Municipal Home Rule Powers Act, Florida Statutes, Chapter 166, in 1983. Tarpon Springs is located on Florida's West Coast 28 miles northwest of Tampa, 35 miles north of St. Petersburg, and 14 miles north of Clearwater. Tarpon Springs is virtually surrounded by the Gulf of Mexico to the west, Lake Tarpon to the east and the Anclote River which flows into the Gulf. Many bayous wind through the residential areas. The City of Tarpon Springs currently occupies a land area of 8.5 square miles and serves a population of 25,507. The City of Tarpon Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Mayor and Board of Commissioners.

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

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

The annual budget serves as a foundation for the City of Tarpon Springs' financial planning and control. All Departments of the City are required to submit requests for appropriation to the City Manager on or before the last day in April of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Mayor and Board of Commissioners for review in July of each year. The Mayor and Board of Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Tarpon Springs' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Mayor and Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented on Pages B-22 through B-23 as part of the Basic Financial Statements for the governmental funds, and for the non-major governmental funds and major capital projects fund it is presented on Pages C-5 through C-12 as part of the Combining and Individual Fund Statements and Schedules for the governmental funds.

## **Factors Affecting Financial Condition**

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

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

The economic condition of the area during the past few years was declining or stagnant at best, the last couple of years have seen improvements and the outlook for fiscal year 2020 shows signs of continued improving economic conditions. Property tax valuations and property tax revenues both decreased over past years but have increased the past couple of years and are anticipated to increase in FY 2020. Adequate fund balances and a legal debt limit well below statutory limits continue to provide the City of Tarpon Springs with an additional margin of continued fiscal security.

**Long-term Financial Planning.** One of the biggest challenges facing the City is the maintenance and expansion of our infrastructure. Water, storm water and sewer lines are essential to every community and historically, the condition and extent to which they exist, have indicated the level of advancement of a society. For some time the City has methodically inventoried streets and sidewalks, then prioritized and funded street overlay and sidewalk replacement and expansion efforts as well as a program for street reconstruction of brick streets. In order to address the needs of our underground infrastructure, the City uses T.V. trucks to inventory main lines and implemented a systematic annual repair schedule. The City's utility rate consultant performs an annual revenue sufficiency analysis to compare actual revenue, expenses and capital outlay to the rate model. The water and sewer billing rates were approved for the next ten years for FY 2020 through FY 2028.

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

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts when purchase orders are released to vendors. Pursuant to activity delegated to the City Manager, budget transfers within a department are processed administratively. Budget transfers between departments and any other budget amendments that increase or decrease the total budget of a fund must be approved by the Board of Commissioners. Outstanding encumbrances are reported within fund balances at September 30, 2019 based on the specific purpose for which the resources have been restricted, committed or assigned.

**Cash Management Policies and Practices.** As more completely described in Note III-A in the Notes to the Financial Statements, the City employs a consolidated cash/investment pool to facilitate short-term investments of liquid assets for all City funds. The Board of Commission approved a revised Investment Policy on April 6, 2010 which allows the City to diversify its investments and obtain a greater return on its investments. The Investment Policy allows the City to invest in State approved investments which include U.S. Treasury Bills/Notes, and Federal Agency Securities. In addition, the City utilizes the Florida Municipal Investment Trust Fund. Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the

principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs.

During Fiscal Year 2019, the average cash/investment pool balance was \$42,968,284 and the total annual earnings net of all bank charges was \$1,052,994 giving an average rate of return of 2.45% on the average balance.

**Debt Administration.** At September 30, 2019, the City had total outstanding bonds payable of \$31,540,000 representing the Utility System Revenue Bond Series 2013A. For further details regarding the City's outstanding debt, please see Note III-F in the Notes to the Financial Statements.

The computation of the legal debt margin, which is indicated in the City's Comprehensive Plan, indicates a very low proportion of indebtedness at September 30, 2019 relative to property values at January 1, 2019 (see Schedules 10 through 14 in the Statistical Section for debt information). Schedule 14 demonstrates that coverage for the City's revenue bonds is more than adequate, and is in compliance with the related bond covenants. Schedule 11 shows that the City has no general obligation debt.

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

**Risk Management.** The City converted to the Florida League of Cities \$25,000 Stop/Loss Property and Liability Self-Insurance program on January 1, 1995 with a Risk Management - Internal Service Fund established for the administration of the City's "self-insurance" activities. Amounts estimated to be payable due to claims occurring on or before September 30, 2019 decreased to \$112,434, insurance premiums increased which caused a decrease in the change in net position of \$105,524 with a corresponding decrease in total Net Position to \$1,345,676 as of September 30, 2019. For further information, please see Note IV-A in the Notes to the Financial Statements.

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

**Pension and Other Post-employment Benefits.** The General Employees', Police Officers', and Firefighters' pension plans are self-administered by their own separate Boards of Trustees. City contributions for the year were \$851,378, \$419,990 and \$777,408 respectively. The City contributions for the Police Officers' and Firefighters' Defined Benefit pension plans were in accordance with actuarially determined funding requirements. In addition, the Police Officers' and Firefighters' pension plans are partially funded from excise taxes on certain insurance premiums covering property in Tarpon Springs, collected by the State and remitted to the City. The Police Officers and Firefighters contribute to their pension plans. The General Employees do not contribute to their pension, which is a Defined Contribution Plan administered by ICMA-RC (International City/County Management Association Retirement Corporation). For further information regarding these pension plans please see Note IV-G in the Notes to the Financial Statements.



## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tarpon Springs, Florida for its comprehensive annual financial report (CAFR) for the Fiscal Year ended September 30, 2018. This was the twenty-eighth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2018. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Mark G. LeCouris  
City Manager



Ron Harring  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Tarpon Springs  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

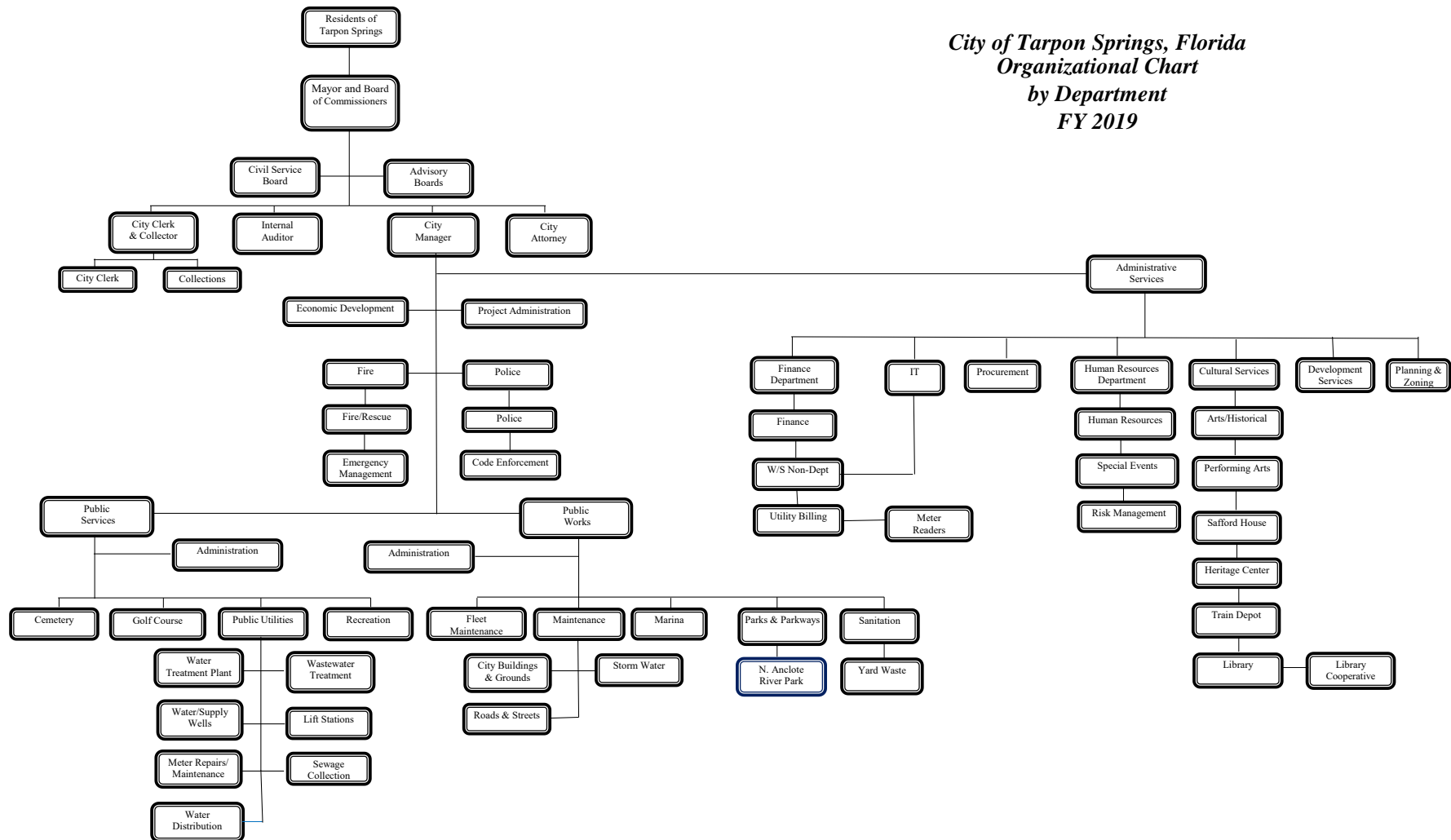
**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# **ORGANIZATIONAL CHART**

*City of Tarpon Springs, Florida  
Organizational Chart  
by Department  
FY 2019*



***FINANCIAL SECTION***

***Independent Auditor's Report***

***Management's Discussion and Analysis***

***Basic Financial Statements***

***Required Supplementary Information other than MD & A  
Combining and Individual Fund Statements and Schedules***

***Other Supplementary Information***





## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the City Commission  
City of Tarpon Springs, 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 Tarpon Springs, Florida (the City) as of and for the fiscal year ended September 30, 2019, 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, 2019, and the respective changes in financial position and, cash flows, where applicable, and the budgetary comparison for the General Fund and the Community Redevelopment Agency Fund 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 Commission  
City of Tarpon Springs, 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 non-major fund financial statements and schedules, statistical section, and other supplementary information, 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 non-major 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 non-major fund financial statements and schedules and the other supplementary information, as listed in the table of contents, 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 25, 2020, 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.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
March 25, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

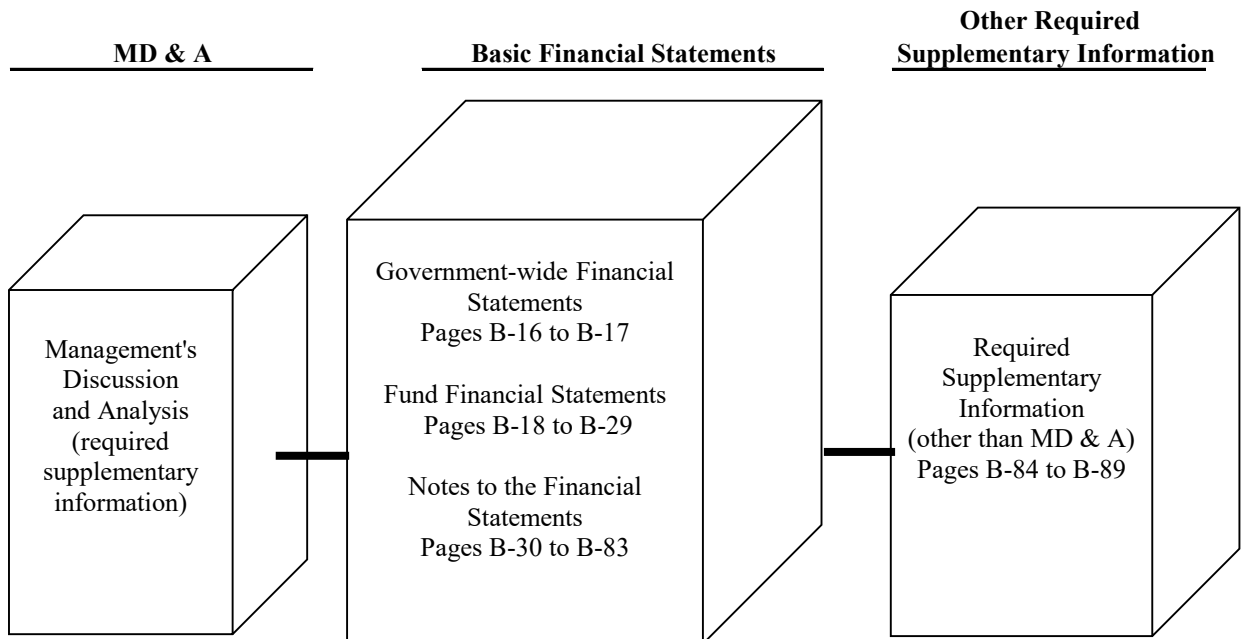
As management of the City of Tarpon Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 to A-5 of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$149,603,313 (net position). Of this amount, \$18,577,872 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The City's total net position increased by \$2,282,884.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of 22,185,407, a decrease of \$577,040 in comparison with the prior year. The portion of this total amount, \$8,819,109, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,819,109, or 35% of the total general fund expenditures.
- The City's total debt decreased by \$931,471 (2.8%) \$915,000 of which was principal payment on the Utility System Revenue Bonds, Series 2013A. The Utility System Revenue Bonds, Series 2013A is the only outstanding debt of the City with a total principal balance of \$31,540,000.

### USING THIS ANNUAL REPORT

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



## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-Wide Financial Statements**

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

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages B-16 to B-17 of this report.

### **Fund Financial Statements**

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

Governmental funds.

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

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community redevelopment agency-downtown fund and the local option sales tax fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages B-18 to B-23 of this report.

#### Proprietary funds.

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

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

The basic proprietary fund financial statements can be found on pages B-24 to B-27 of this report.

#### Fiduciary funds.

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

The basic fiduciary fund financial statements can be found on pages B-28 to B-29 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-30 to B-83 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages B-84 to B-89 of this report.

The combining and individual fund statements and schedules section referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds are presented immediately

following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages C-1 to C-21 of this report.

## GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

### Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$149,603,313 at the close of fiscal year September 30, 2019.

By far the largest portion of the City's net position (78%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

<b>Statement of Net Position as of September 30</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and other assets	\$ 28,622,094	\$ 26,130,417	\$ 21,639,552	\$ 19,651,613	\$ 50,261,646	\$ 45,782,030
Capital assets	53,407,457	52,391,186	94,856,508	94,477,711	148,263,965	146,868,897
Total assets	<u>82,029,551</u>	<u>78,521,603</u>	<u>116,496,060</u>	<u>114,129,324</u>	<u>198,525,611</u>	<u>192,650,927</u>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows of Resources	<u>3,006,663</u>	<u>1,446,695</u>	<u>41,087</u>	<u>33,372</u>	<u>3,047,750</u>	<u>1,480,067</u>
<b>Liabilities</b>						
Current and other liabilities	1,836,627	1,670,994	3,227,668	3,246,332	5,064,295	4,917,326
Long-term debt outstanding:						
Due within one year	79,404	79,365	962,242	935,795	1,041,646	1,015,160
Due in more than one year	11,201,013	6,763,954	31,552,257	32,425,895	42,753,270	39,189,849
Total liabilities	<u>13,117,044</u>	<u>8,514,313</u>	<u>35,742,167</u>	<u>36,608,022</u>	<u>48,859,211</u>	<u>45,122,335</u>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows of Resources	<u>3,103,582</u>	<u>1,678,714</u>	<u>7,255</u>	<u>9,516</u>	<u>3,110,837</u>	<u>1,688,230</u>
<b>Net Position</b>						
Net investment in capital assets	53,407,457	52,391,186	62,955,086	61,644,818	116,362,543	114,036,004
Restricted	8,242,401	9,251,886	6,420,497	6,256,233	14,662,898	15,508,119
Unrestricted	7,165,730	8,132,199	11,412,142	9,644,107	18,577,872	17,776,306
Total net position	<u>\$ 68,815,588</u>	<u>\$ 69,775,271</u>	<u>\$ 80,787,725</u>	<u>\$ 77,545,158</u>	<u>\$ 149,603,313</u>	<u>\$ 147,320,429</u>

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$18,577,872) may be used to meet the City's ongoing obligations to citizens and creditors.



At the end of the current fiscal year, the City of Tarpon Springs is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. Total government net position increased by \$2,282,884 during the current fiscal year.

For more detailed information see the Statement of Net Position (page B-16).

## Statement of Activities

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

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 4,355,531	\$ 4,624,263	\$ 24,748,487	\$ 23,929,899	\$ 29,104,018	\$ 28,554,162
Operating grants and contributions	916,476	1,207,794	1,257,474	166,126	2,173,950	1,373,920
Capital grants and contributions	381,656	690,902	557,077	1,035,670	938,733	1,726,572
General revenues:						
Property taxes	9,437,667	8,903,816	-	-	9,437,667	8,903,816
Property taxes-TIF County portion	238,881	203,895	-	-	238,881	203,895
Utility taxes	3,246,311	3,045,339	-	-	3,246,311	3,045,339
Communication service taxes	884,958	937,774	-	-	884,958	937,774
Sales, gas and other taxes	4,790,992	4,587,353	-	-	4,790,992	4,587,353
Franchise fees	1,887,605	1,768,138	-	-	1,887,605	1,768,138
State revenue sharing	903,617	863,397	-	-	903,617	863,397
Investment income	768,522	208,846	645,812	148,401	1,414,334	357,247
Miscellaneous	319,833	344,919	-	-	319,833	344,919
Total revenues	<u>28,132,049</u>	<u>27,386,436</u>	<u>27,208,850</u>	<u>25,280,096</u>	<u>55,340,899</u>	<u>52,666,532</u>
<b>EXPENSES</b>						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	4,433,507	4,132,160	-	-	4,433,507	4,132,160
Public safety	17,366,747	16,234,276	-	-	17,366,747	16,234,276
Physical environment	1,405,668	1,249,625	-	-	1,405,668	1,249,625
Transportation	2,496,389	2,391,884	-	-	2,496,389	2,391,884
Economic environment	493,953	619,513	-	-	493,953	619,513
Culture/recreation	4,607,221	4,650,379	-	-	4,607,221	4,650,379
Business-type Activities:						
Water/Sewer	-	-	14,398,298	13,781,438	14,398,298	13,781,438
Sanitation	-	-	4,955,865	6,147,368	4,955,865	6,147,368
Storm water	-	-	1,362,896	1,395,324	1,362,896	1,395,324
Golf Course	-	-	1,414,414	1,269,051	1,414,414	1,269,051
Marina	-	-	123,057	117,932	123,057	117,932
Total expenses	<u>30,803,485</u>	<u>29,277,837</u>	<u>22,254,530</u>	<u>22,711,113</u>	<u>53,058,015</u>	<u>51,988,950</u>
Increase (decrease) in Net Position						
before Transfers	(2,671,436)	(1,891,401)	4,954,320	2,568,983	2,282,884	677,582
Transfers	1,711,753	1,416,062	(1,711,753)	(1,416,062)	-	-
Change in Net Position	<u>(959,683)</u>	<u>(475,339)</u>	<u>3,242,567</u>	<u>1,152,921</u>	<u>2,282,884</u>	<u>677,582</u>
Net Position - Beginning of year	<u>69,775,271</u>	<u>70,250,610</u>	<u>77,545,158</u>	<u>76,392,237</u>	<u>147,320,429</u>	<u>146,642,847</u>
Net Position - End of year	<u>\$ 68,815,588</u>	<u>\$ 69,775,271</u>	<u>\$ 80,787,725</u>	<u>\$ 77,545,158</u>	<u>\$ 149,603,313</u>	<u>\$ 147,320,429</u>

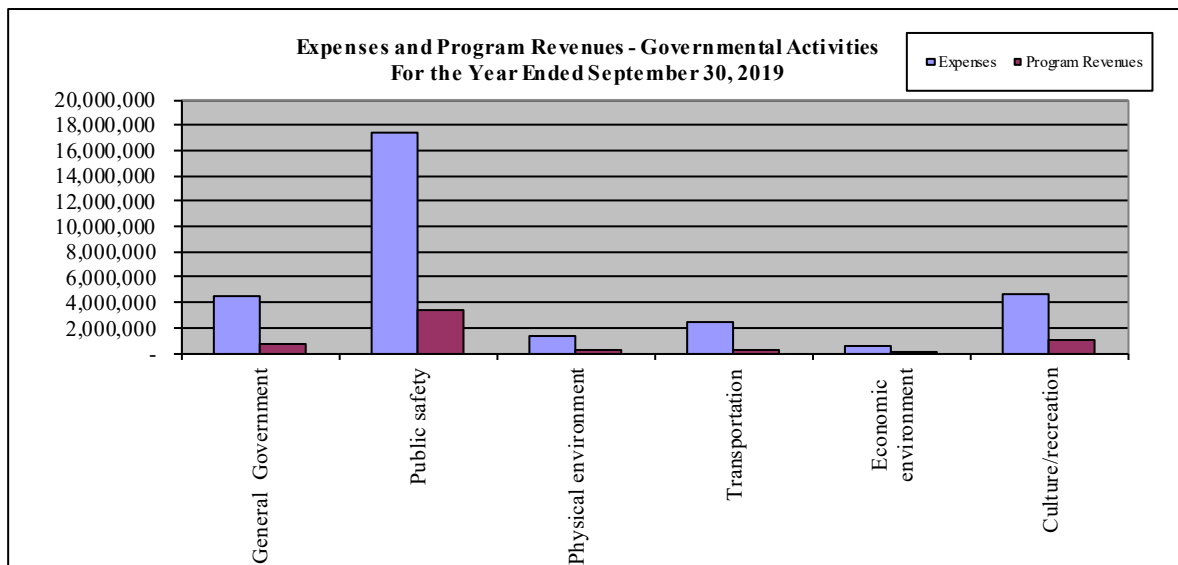
## Governmental activities.

Governmental activities decreased the City's net position by \$959,683 accounting for a 1.38% decrease in the total growth in the net position of the City. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

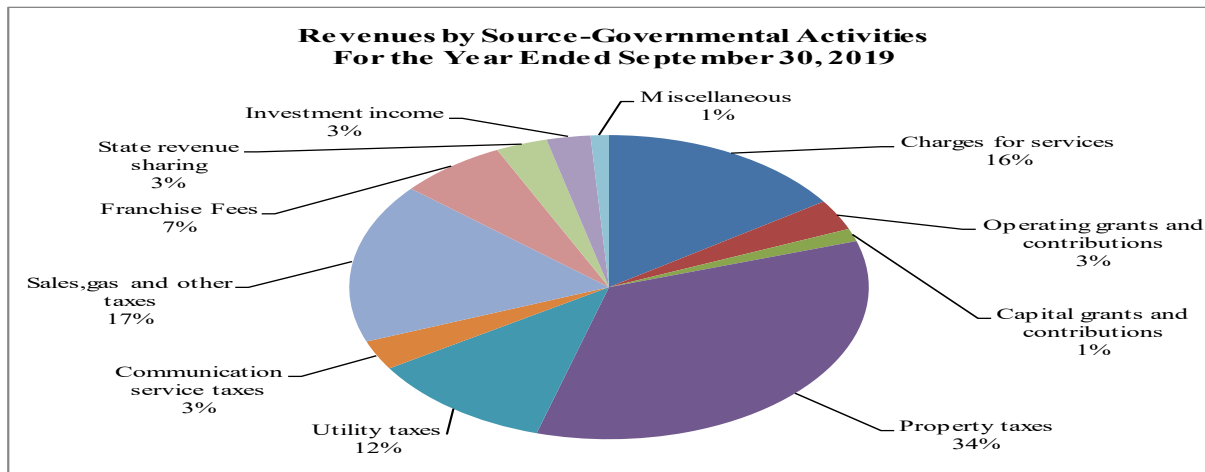
Total Governmental activity revenues increased \$745,540 in comparison to the previous year. The major changes were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 505,728	Taxable Assessed Value increase of 6.18%
Utility Tax Electric	\$ 177,639	Utility rate increase and new accounts
Franchise Fee Electric	\$ 123,934	Utility rate increase and new accounts
Communication Service Tax	\$ (52,816)	Decrease due to less land lines
Half Cent Sales Tax	\$ 61,517	Improved economy increase in sales tax
One Cent Local Option Sales Tax (Penny)	\$ 127,607	Improved economy increase in sales tax
State Revenue Sharing	\$ 40,220	Improved economy increase in sales tax
Building Permits	\$ (91,611)	Permits for Meres Apts in previous year
Tree Bank	\$ (130,325)	Three larger receipts during previous year
Code Enforcement Fines	\$ (43,140)	Four larger fines during previous year
School Resource Officer	\$ 141,224	Increased funding for new positions for school safety
<b>Total</b>	<b>\$ 859,977</b>	

Total Governmental activity expenses increased \$1,525,649 in comparison to the previous year. The major changes were related to Police and Fire pension related costs.







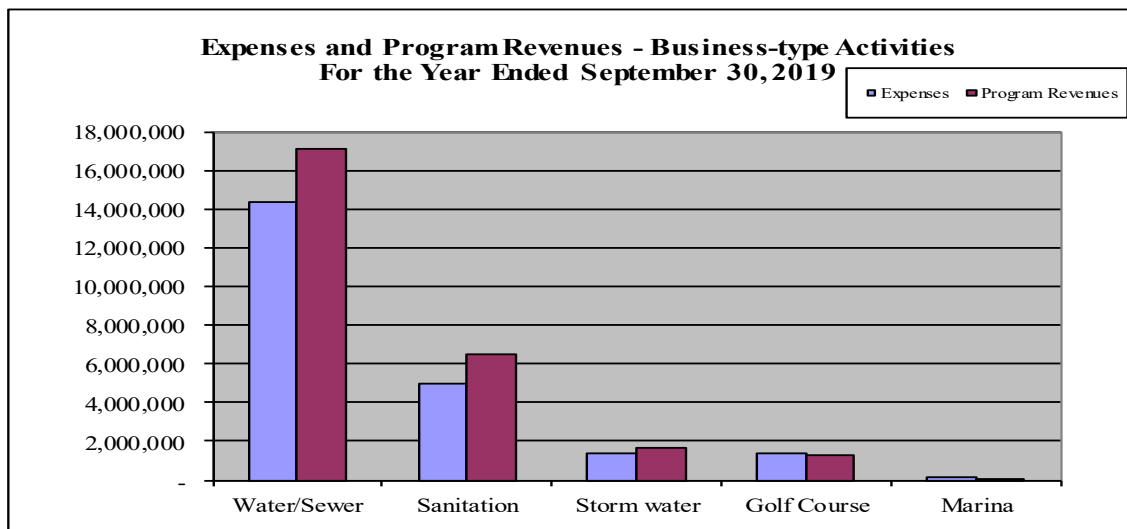
#### Business-type activities.

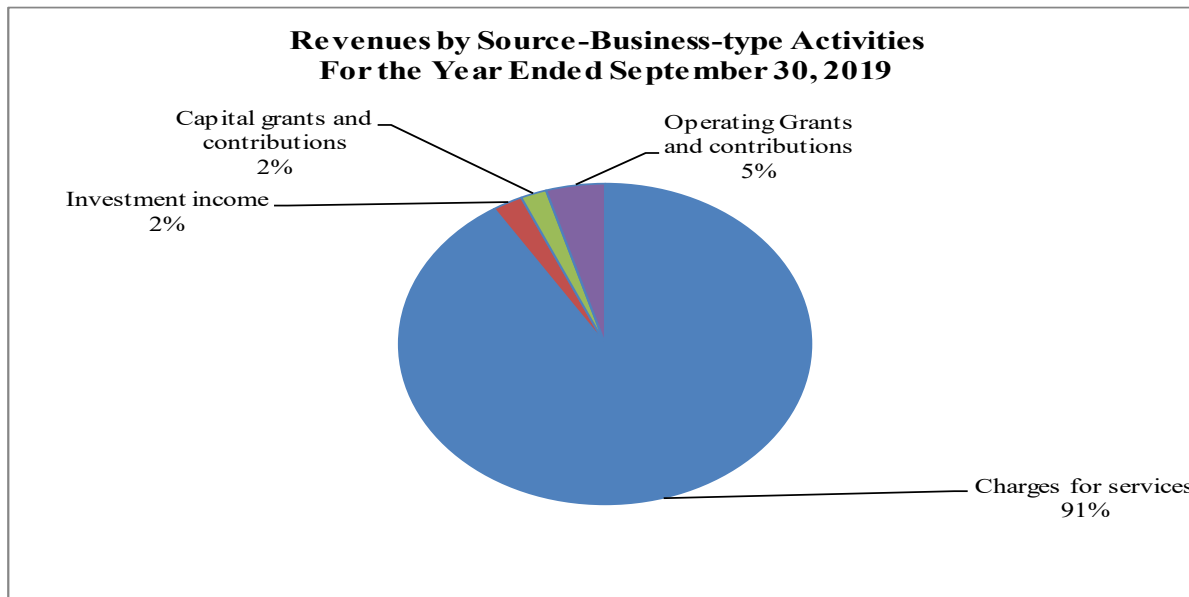
Business-type activities (enterprise funds) increased the City's net position by \$3,242,567, accounting for 4.18% of the total growth in the government's net position. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Business-type activity revenues increased \$1,928,754 in comparison to the previous year. The major changes were:

Revenue Type	Increase	Description
<b>Charges for Services:</b>		
Sanitation Fees	\$ 79,592	1.98% Rate Increase
Water Sales	\$ 268,265	4.00% Rate Increase
Sewer Sales	\$ 301,113	4.00% Rate Increase
Stormwater Sales	\$ 176,106	\$.50 increase per ESU
<b>Operating Grants/Contributions:</b>		
Fema-Sanitation Fund	\$ 1,206,384	Hurricane Irma-Debris
<b>Total</b>	<b>\$ 2,031,460</b>	

Total Business-type activity expenses decreased \$456,583 in comparison to the previous year. This decrease is mostly due to the \$1.4 million of debris removal expenses from Hurricane Irma in the Sanitation Fund in the previous fiscal year.





## FUND FINANCIAL STATEMENT ANALYSIS

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

### Governmental Funds.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,185,407, a decrease of \$577,040 in comparison with the prior year. The majority of this total amount (\$8,819,109) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned. Major restrictions, commitments or assignments include 1) restricted for capital projects (\$4,308,362), 2) committed for perpetual care of the cemetery (\$1,898,794), and 3) assigned for compensated absences (\$1,332,339).

### General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,819,109, while total fund balance was \$14,621,048. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 35% of total General Fund expenditures.

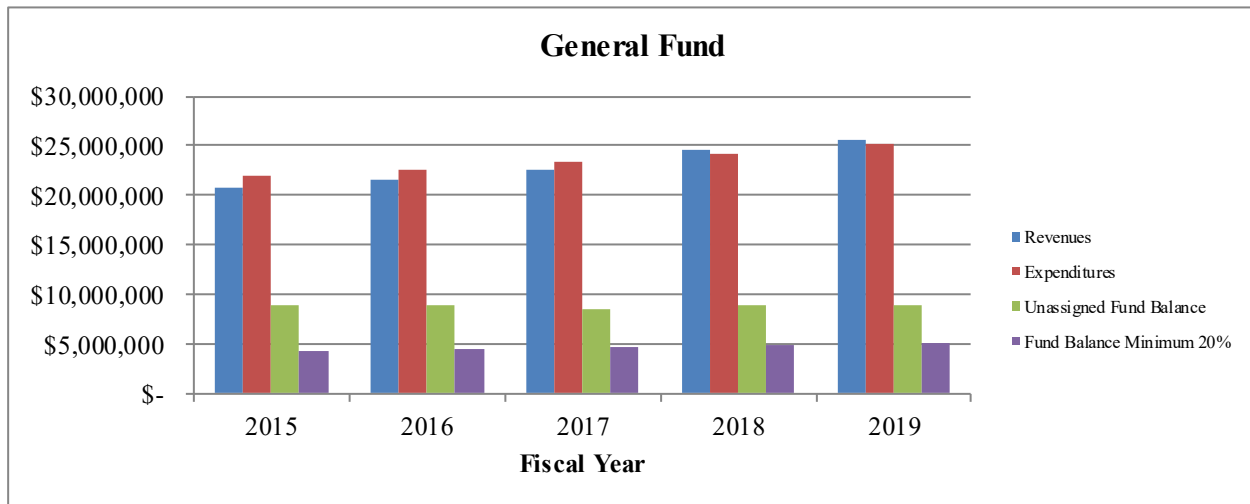
The fund balance of the City's General Fund increased by \$442,697 during the current fiscal year, an increase in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In totaled \$25,635,903, an increase of \$1,120,834 over the previous fiscal year. The major changes were:

Revenue Type	Increase	Description
Property Taxes	\$ 505,728	Taxable Assessed Value increase of 6.18%
Utility Tax Electric	\$ 177,639	Utility rate increase and new accounts
Franchise Fee Electric	\$ 123,934	Utility rate increase and new accounts
Communication Service Tax	\$ (52,816)	Decrease due to less land lines
Half Cent Sales Tax	\$ 61,517	Improved economy increase in sales tax
State Revenue Sharing	\$ 40,220	Improved economy increase in sales tax
Building Permits	\$ (91,611)	Permits for Meres Apts in previous year
Code Enforcement Fines	\$ (43,140)	Four larger fines during previous year
Tree Bank	\$ (130,325)	Three larger receipts during previous year
School Resource Officer	\$ 141,224	Increased funding for new positions for school safety
Interfund Transfers	\$ 282,930	Administrative cost increase from Enterprise Funds to 7%
<b>Total</b>	<b>\$ 1,015,300</b>	

Expenditures including Transfers Out totaled \$25,193,206, an increase of \$1,057,139 over the previous fiscal year. The major increases were for personnel increases related to salaries and benefits.

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



Community Redevelopment Agency Fund.

The fund balance of the City's Community Redevelopment Agency Fund increased by \$319,656 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$496,747 a decrease of \$73,093 under the previous fiscal year due to the sale of property in the amount of 133,152 in the previous year. Property Tax receipts (City portion) increased \$35,581 and Tax Increment Financing receipts (County portion) increased \$34,986 (due to increasing property values).
- Expenditures were \$177,091, a decrease of \$1,001,099 under the previous fiscal year. The majority of the decrease is due to the purchase of the former Sunbay Motel for \$875,672 in FY 2018.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund decreased by \$898,604 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$2,792,037 an increase of \$252,141 over the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$127,607 over the previous fiscal year. The City was also reimbursed

\$137,981 from the State Department of Environmental Protection for spoil site funding for the Anclote Dredging Project.

- Expenditures were \$3,690,641, an increase of \$1,188,496 over the previous fiscal year. The major Capital items were for, Police Vehicles, Marina Improvements, Seawall Improvements, Library Renovations and Cultural Center Exterior improvements.

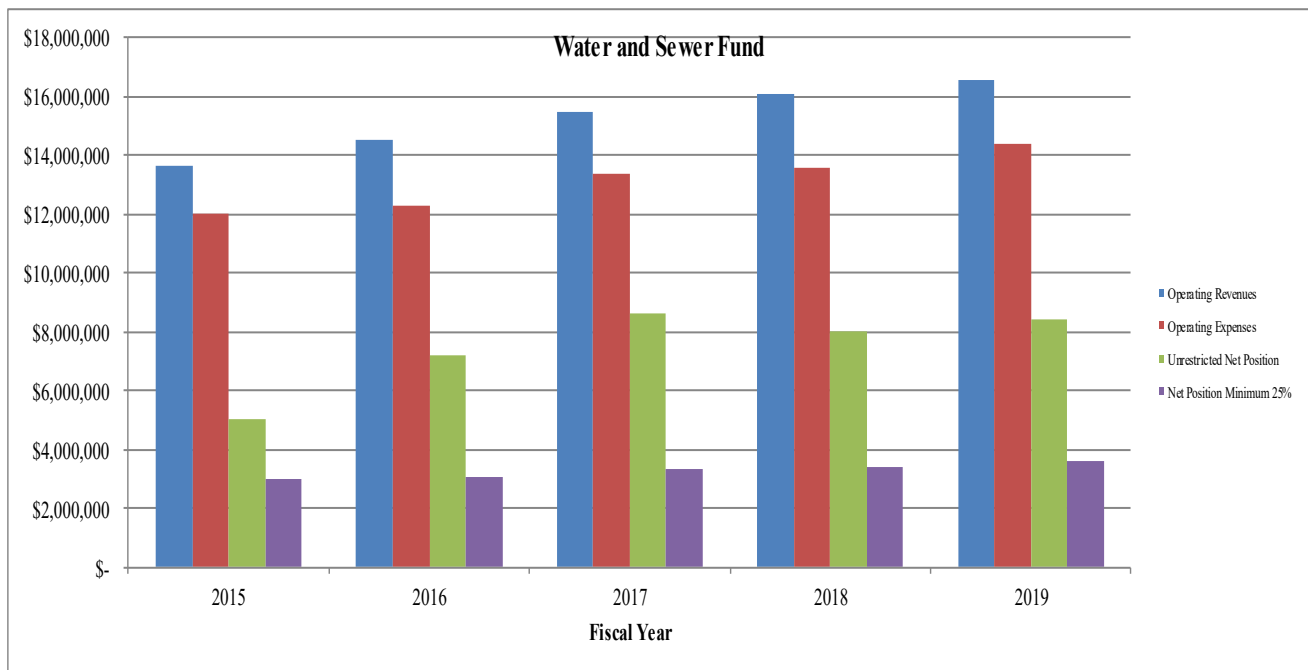
### Proprietary Funds.

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

#### Water and Sewer Fund.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$8,392,086, and total growth in net position for the year was \$2,057,364, a decrease over the change noted in the previous fiscal year. This year operating revenues increased \$499,672, water sales increased \$268,265 or 2.99% (4% rate increase), sewer sales increased \$301,113 or 5.12% (4% rate increase). Water use billed was down 30 million gallons or 3% in comparison with the previous fiscal year. Operating expenses increased \$611,558, personnel costs increased \$330,764 due to salary increases, vacant positions being filled and health insurance increase. The balance of the increases related to the increase in property insurance, electricity increase for the water plant and depreciation increase with the new capital expenditures.

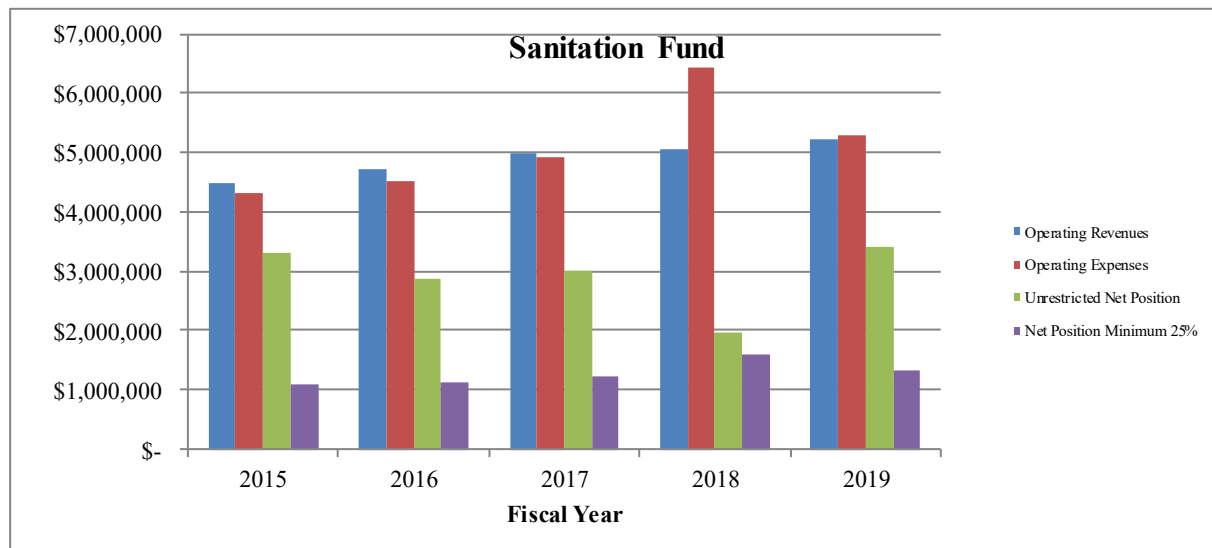
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



#### Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$3,408,203, and total growth in net position for the year was \$1,240,613, the gain is due to \$1.2 million of reimbursements related to Hurricane Irma. Fiscal Year 2019 was the third year of the five year contract with the City's garbage contractor. This year operating revenues increased \$165,795, sanitation fees increased \$79,592 or 2.04% (1.98% rate increase), recycling fees increased \$24,125 or 4.21% (1.98% rate increase) and yard waste fees (not part of the garbage contract) increased \$45,930. Operating expenses decreased \$1,201,986 due to \$1.4 million related to Hurricane Irma debris removal recorded in the previous year FY 2018. The City administration portion remained at 20% in order to cover the operational expenses.

The chart below list the Sanitation Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



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

### GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund was an increase of \$1,193,346. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$253,249 for outstanding encumbrances from FY 2018 carried over to FY 2019.
- An increase of \$208,976 for outstanding donations from FY 2018 carried over to FY 2019.
- An increase of \$135,307 for vacation sell back expenditures.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$829,429. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$248,668 in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$135,936 in Non-departmental due to items budgeted but not expensed as of fiscal year end.

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$148,263,965 (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was .95% (\$1,395,068). Separately there was a 1.94% (\$1,016,271) increase for governmental activities and a .40% (\$378,797) increase for business-type activities.

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

Governmental activities – Hope/Athens Pedestrian Improvements, Spruce St Construction, Ring Ave. Improvements, Seawall Improvements and Police vehicles.

Business-type activities – Water wells, Lake Tarpon Phase III, and Water pipe replacement.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and land rights	\$ 6,719,926	\$ 6,395,459	\$ 3,459,687	\$ 3,459,687	\$ 10,179,613	\$ 9,855,146
Buildings and improvements	10,416,716	11,211,141	375,366	934,392	10,792,082	12,145,533
Improvements other than buildings	11,043,957	9,868,039	83,261,812	82,119,711	94,305,769	91,987,750
Machinery and equipment	3,165,975	3,409,535	2,190,985	2,503,941	5,356,960	5,913,476
Infrastructure	18,729,528	18,896,874	-	-	18,729,528	18,896,874
Total	50,076,102	49,781,048	89,287,850	89,017,731	139,363,952	138,798,779
Construction in progress	3,331,355	2,610,138	5,568,658	5,459,980	8,900,013	8,070,118
Total	<u>\$ 53,407,457</u>	<u>\$ 52,391,186</u>	<u>\$ 94,856,508</u>	<u>\$ 94,477,711</u>	<u>\$ 148,263,965</u>	<u>\$ 146,868,897</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note III-C on Pages B-55 to B-56 of the notes.

### Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 52,391,186	\$ 94,477,711	\$ 146,868,897
Additions	4,453,823	4,973,319	9,427,142
Construction in progress	721,217	108,678	829,895
Net Retirements	(25,861)	(16,515)	(42,376)
Depreciation	<u>(4,132,908)</u>	<u>(4,686,685)</u>	<u>(8,819,593)</u>
Ending Balance	<u>\$ 53,407,457</u>	<u>\$ 94,856,508</u>	<u>\$ 148,263,965</u>

## Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$31,901,421 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$931,471 (2.84%), principal payment and amortization of premium during the current fiscal year. Utility System Revenue Bonds, Series 2013A had a principal payment of \$915,000.

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

### Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Utility Revenue Bonds	\$ -	\$ -	\$ 31,901,421	\$ 32,832,892	\$ 31,901,421	\$ 32,832,892
Total	\$ -	\$ -	\$ 31,901,421	\$ 32,832,892	\$ 31,901,421	\$ 32,832,892

The City received a rating from Standard & Poor's of AA-/Stable on February 14, 2013 on the Utility System Revenue Bonds, Series 2013A.

Additional information on the City's long-term debt can be found in Note III-F on pages B-60 to B-63 of the notes.

## ECONOMIC FACTORS

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

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

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

Construction activity within the City has increased in FY 2019. The number of building permits pulled has increased over the previous fiscal years. Property values have also been increasing within the City.

## FINANCIAL CONTACT

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

# ***BASIC FINANCIAL STATEMENTS***

***This section contains the following subsections:***

## **Government-Wide Financial Statements**

Statement of Net Position  
Statement of Activities

## **Fund Financial Statements**

### **Governmental Fund Financial Statements**

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

### **Proprietary Fund Financial Statements**

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

### **Fiduciary Fund Financial Statements**

Statement of Fiduciary Net Position - Fiduciary Funds  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds

## **Notes to the Financial Statements**



**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,757,647	\$ 3,236,175	\$ 9,993,822
Investments	18,923,796	7,856,678	26,780,474
Receivables (net of allowance)	921,147	2,459,446	3,380,593
Due from other governments	1,142,940	1,232,505	2,375,445
Internal balances	660,844	(660,844)	-
Inventories	35,894	252,285	288,179
Prepaid items	179,826	173,643	353,469
Restricted assets:			
Cash and cash equivalents	-	2,343,209	2,343,209
Investments	-	4,730,289	4,730,289
Receivables	-	16,166	16,166
Capital Assets:			
Land and land rights	6,719,926	3,459,687	10,179,613
Buildings and improvements	25,225,867	2,025,880	27,251,747
Improvements other than buildings	19,046,023	127,761,029	146,807,052
Machinery and equipment	12,057,250	7,763,691	19,820,941
Infrastructure	47,964,338	-	47,964,338
Construction in progress	3,331,355	5,568,658	8,900,013
Accumulated depreciation	(60,937,302)	(51,722,437)	(112,659,739)
Total Assets	<u>82,029,551</u>	<u>116,496,060</u>	<u>198,525,611</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to OPEB.	282,260	41,087	323,347
Deferred outflows of resources related to pension plans.	<u>2,724,403</u>	<u>-</u>	<u>2,724,403</u>
Total Deferred Outflows of Resources	<u>3,006,663</u>	<u>41,087</u>	<u>3,047,750</u>
<b>LIABILITIES</b>			
Accounts payable	871,238	786,786	1,658,024
Accrued liabilities	54,092	65,069	119,161
Contracts payable	135,666	574,918	710,584
Deposits	431,049	-	431,049
Unearned revenue	344,582	27,131	371,713
Payable from restricted assets:			
Customer deposits	-	1,773,764	1,773,764
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	940,000	940,000
Compensated absences	69,263	22,242	91,505
Claims payable	10,141	-	10,141
Due In More Than One Year:			
Bonds payable	-	30,961,421	30,961,421
Other postemployment benefits	2,203,047	320,697	2,523,744
Compensated absences	1,276,967	270,139	1,547,106
Net pension liability	7,618,706	-	7,618,706
Claims payable	102,293	-	102,293
Total Liabilities	<u>13,117,044</u>	<u>35,742,167</u>	<u>48,859,211</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Local business tax-future year	98,555	-	98,555
Mausoleum revenue-future year	425	-	425
Hospital Lease 2041-2070-future year	3,000,000	-	3,000,000
Sewer impacts/connections-future year	-	7,255	7,255
Deferred inflows of resources related to pension plans	4,602	-	4,602
Total Deferred Inflows of Resources	<u>3,103,582</u>	<u>7,255</u>	<u>3,110,837</u>
<b>NET POSITION</b>			
Net investment in capital assets	53,407,457	62,955,086	116,362,543
Restricted for :			
Capital projects - optional sales tax	2,911,843	-	2,911,843
Capital projects - impact fee programs	925,814	2,451,442	3,377,256
Transportation	470,705	-	470,705
CRA	443,001	-	443,001
Law enforcement programs	190,528	-	190,528
Grant programs	103,062	-	103,062
Special programs	328,355	-	328,355
Other contractual obligations	669,093	1,110,386	1,779,479
Loan receivable	200,000	-	200,000
Street and sidewalk per Charter	2,000,000	-	2,000,000
Bond reserve	-	2,045,894	2,045,894
Bond renewal and replacement	-	812,775	812,775
Unrestricted	<u>7,165,730</u>	<u>11,412,142</u>	<u>18,577,872</u>
Total Net Position	<u>\$ 68,815,588</u>	<u>\$ 80,787,725</u>	<u>\$ 149,603,313</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Function/Program Activities	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	Total
Primary Government:							
Governmental Activities:							
General government	\$ 4,433,507	\$ 654,759	\$ -	\$ 11,024	\$ (3,767,724)	\$ -	\$ (3,767,724)
Public safety	17,366,747	3,021,853	318,917	58,333	(13,967,644)	-	(13,967,644)
Physical environment	1,405,668	184,854	18,306	-	(1,202,508)	-	(1,202,508)
Transportation	2,496,389	20	78,028	223,343	(2,194,998)	-	(2,194,998)
Economic environment	493,953	-	45,311	-	(448,642)	-	(448,642)
Culture/recreation	4,607,221	494,045	455,914	88,956	(3,568,306)	-	(3,568,306)
Total governmental activities	<u>30,803,485</u>	<u>4,355,531</u>	<u>916,476</u>	<u>381,656</u>	<u>(25,149,822)</u>	<u>-</u>	<u>(25,149,822)</u>
Business-Type Activities:							
Water/Sewer	14,398,298	16,573,432	-	557,077	-	2,732,211	2,732,211
Sanitation	4,955,865	5,216,017	1,244,909	-	-	1,505,061	1,505,061
Storm Water	1,362,896	1,614,987	11,759	-	-	263,850	263,850
Golf Course	1,414,414	1,291,048	806	-	-	(122,560)	(122,560)
Marina	123,057	53,003	-	-	-	(70,054)	(70,054)
Total business-type activities	<u>22,254,530</u>	<u>24,748,487</u>	<u>1,257,474</u>	<u>557,077</u>	<u>-</u>	<u>4,308,508</u>	<u>4,308,508</u>
Total primary government	<u>\$ 53,058,015</u>	<u>\$ 29,104,018</u>	<u>\$ 2,173,950</u>	<u>\$ 938,733</u>	<u>(25,149,822)</u>	<u>4,308,508</u>	<u>(20,841,314)</u>
General Revenues:							
Taxes:							
Property taxes					9,437,667	-	9,437,667
Property taxes -Tax Increment							
Financing (TIF) - County portion					238,881	-	238,881
Utility taxes					3,246,311	-	3,246,311
Communication service taxes					884,958	-	884,958
Half-cent sales tax					1,661,161	-	1,661,161
Local option gas tax					339,385	-	339,385
Local option sales tax					2,578,452	-	2,578,452
Local business tax					151,605	-	151,605
Other taxes					60,389	-	60,389
Franchise fees					1,887,605	-	1,887,605
State revenue sharing					903,617	-	903,617
Investment income					768,522	645,812	1,414,334
Miscellaneous					319,833	-	319,833
Transfers					1,711,753	(1,711,753)	-
Total General Revenues					<u>24,190,139</u>	<u>(1,065,941)</u>	<u>23,124,198</u>
Change in Net Position					(959,683)	3,242,567	2,282,884
Net Position - Beginning					<u>69,775,271</u>	<u>77,545,158</u>	<u>147,320,429</u>
Net Position - Ending					<u>\$ 68,815,588</u>	<u>\$ 80,787,725</u>	<u>\$ 149,603,313</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,633,992	\$ 723,970	\$ 328,799	\$ 2,893,207	\$ 6,579,968
Investments	13,623,581	-	2,299,739	1,999,655	17,922,975
Accounts receivable - net of					
allowance for doubtful accounts	46,678	-	-	-	46,678
Loan receivable	200,000	-	-	-	200,000
Taxes receivable	534,655	-	-	-	534,655
Due from other funds (deficit in pooled cash)	1,168,993	-	-	-	1,168,993
Due from other governments	298,817	-	749,013	95,036	1,142,866
Prepaid items	171,262	726	-	2,072	174,060
Total Assets	<u>\$ 18,677,978</u>	<u>\$ 724,696</u>	<u>\$ 3,377,551</u>	<u>\$ 4,989,970</u>	<u>\$ 27,770,195</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 396,166	\$ 5,722	\$ 330,042	\$ 129,236	\$ 861,166
Accrued liabilities	46,976	973	-	3,464	51,413
Contracts payable	-	-	135,666	-	135,666
Deposits	16,443	-	-	414,606	431,049
Advance from other fund	153,783	275,000	-	233,149	661,932
Unearned revenue	344,582	-	-	-	344,582
Total Liabilities	<u>957,950</u>	<u>281,695</u>	<u>465,708</u>	<u>780,455</u>	<u>2,485,808</u>
Deferred Inflows of Resources:					
Local business tax-future year	98,555	-	-	-	98,555
Hospital Lease 2041-2070-future years	3,000,000	-	-	-	3,000,000
Mausoleum revenue-future year	425	-	-	-	425
Total Deferred Inflows of Resources	<u>3,098,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,098,980</u>
Fund Balances:					
Nonspendable:					
Prepaid items	171,262	726	-	2,072	174,060
Loan receivable	200,000	-	-	-	200,000
Street and sidewalk per Charter, nonexpendable	-	-	-	2,000,000	2,000,000
Restricted for:					
Donations received	197,879	-	-	-	197,879
Hospital ER	104,509	-	-	-	104,509
Capital projects - impact fee programs	-	-	-	925,814	925,814
CRA	-	442,275	-	-	442,275
Capital projects - optional sales tax	-	-	2,911,843	-	2,911,843
Transportation	-	-	-	470,705	470,705
Law enforcement programs	-	-	-	190,528	190,528
Grant programs	-	-	-	6,903	6,903
Public art program	-	-	-	279,769	279,769
Land preservation	-	-	-	48,586	48,586
Physical environment	-	-	-	94,087	94,087
Committed to:					
Cemetery	1,898,794	-	-	-	1,898,794
Tree bank	396,904	-	-	-	396,904
Right of way	148,424	-	-	-	148,424
Sidewalks	22,959	-	-	-	22,959
Employee benefit cost deferral	-	-	-	191,051	191,051
Assigned to:					
Compensated absences	1,332,339	-	-	-	1,332,339
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	268,105	-	-	-	268,105
Insurance/Other	193,573	-	-	-	193,573
Hospital Lease 2041-2070	18,843	-	-	-	18,843
Management Designations	487,431	-	-	-	487,431
Other contractual obligations	310,917	-	-	-	310,917
Unassigned:	8,819,109	-	-	-	8,819,109
Total Fund Balances	<u>14,621,048</u>	<u>443,001</u>	<u>2,911,843</u>	<u>4,209,515</u>	<u>22,185,407</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,677,978</u>	<u>\$ 724,696</u>	<u>\$ 3,377,551</u>	<u>\$ 4,989,970</u>	<u>\$ 27,770,195</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

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Fund balances - total governmental funds \$ 22,185,407

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 113,651,897	
Less accumulated depreciation	<u>(60,552,281)</u>	53,099,616

Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.

Deferred outflows of resources related to pension plans.	2,724,403	
Deferred outflows of resources related to opeb.	<u>279,719</u>	3,004,122

Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences	(1,332,339)	
Other postemployment benefits	<u>(2,183,215)</u>	(3,515,554)

Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.

Net pension liability	(7,618,706)	
Deferred inflows of resources related to pension plans	<u>(4,602)</u>	(7,623,308)

Interest revenues are not recognized in the current period because the resources are not available, therefore, are not reported in the funds.

130,089

Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,535,216

Net position of governmental activities.	\$ <u><u>68,815,588</u></u>
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**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 13,479,199	\$ 241,342	\$ 2,578,454	\$ 339,385	\$ 16,638,380
Permits and fees	2,285,519	-	-	243,674	2,529,193
Intergovernmental	3,051,258	238,881	137,981	320,391	3,748,511
Charges for services	3,122,274	-	5,341	68	3,127,683
Fines and forfeitures	197,106	-	-	14,857	211,963
Other	1,516,360	16,524	70,261	152,576	1,755,721
Total Revenues	<u>23,651,716</u>	<u>496,747</u>	<u>2,792,037</u>	<u>1,070,951</u>	<u>28,011,451</u>
<b>Expenditures:</b>					
Current:					
General Government:					
Board of commissioners	154,147	-	-	-	154,147
City manager	319,722	-	-	-	319,722
Financial administration	534,734	-	-	-	534,734
Human resources	252,714	-	-	-	252,714
Purchasing	205,408	-	-	-	205,408
Management information services	716,179	-	-	-	716,179
City attorney	252,319	-	-	-	252,319
Planning	344,051	-	-	-	344,051
City clerk	352,405	-	-	-	352,405
Projection administration	94,952	-	-	-	94,952
Non-departmental	592,286	-	-	-	592,286
	<u>3,818,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,818,917</u>
Public Safety:					
Police	8,137,818	-	-	69,301	8,207,119
Fire/ems/emergency management	5,259,116	-	-	371,005	5,630,121
Protective inspections	841,558	-	-	-	841,558
	<u>14,238,492</u>	<u>-</u>	<u>-</u>	<u>440,306</u>	<u>14,678,798</u>
Physical Environment:					
City buildings/grounds	775,922	-	-	-	775,922
Cemetery	299,757	-	-	-	299,757
Other	117,638	-	-	8,881	126,519
	<u>1,193,317</u>	<u>-</u>	<u>-</u>	<u>8,881</u>	<u>1,202,198</u>
Transportation:					
Roads and streets	1,211,594	-	-	-	1,211,594
	<u>1,211,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,211,594</u>
Economic Environment:					
Other	125,177	177,091	-	-	302,268
	<u>125,177</u>	<u>177,091</u>	<u>-</u>	<u>-</u>	<u>302,268</u>
Culture and Recreation:					
Library	1,369,567	-	-	-	1,369,567
Parks and recreation	1,812,937	-	-	-	1,812,937
Cultural	711,595	-	-	-	711,595
Other	-	-	-	19,031	19,031
	<u>3,894,099</u>	<u>-</u>	<u>-</u>	<u>19,031</u>	<u>3,913,130</u>
Capital Outlay	598,198	-	3,690,641	884,500	5,173,339
Total Expenditures	<u>25,079,794</u>	<u>177,091</u>	<u>3,690,641</u>	<u>1,352,718</u>	<u>30,300,244</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,428,078)</u>	<u>319,656</u>	<u>(898,604)</u>	<u>(281,767)</u>	<u>(2,288,793)</u>
Other Financing Sources (Uses):					
Transfers in	1,984,187	-	-	293,412	2,277,599
Transfers out	(113,412)	-	-	(452,434)	(565,846)
Total Other Financing Sources (Uses)	<u>1,870,775</u>	<u>-</u>	<u>-</u>	<u>(159,022)</u>	<u>1,711,753</u>
Net Change in Fund Balances	442,697	319,656	(898,604)	(440,789)	(577,040)
Fund Balances - Beginning of Year	<u>14,178,351</u>	<u>123,345</u>	<u>3,810,447</u>	<u>4,650,304</u>	<u>22,762,447</u>
Fund Balances - End of Year	<u>\$ 14,621,048</u>	<u>\$ 443,001</u>	<u>\$ 2,911,843</u>	<u>\$ 4,209,515</u>	<u>\$ 22,185,407</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balances - total governmental funds		\$	(577,040)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures.			
However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.			
Expenditures for capital assets	\$	5,173,339	
Less current year depreciation		<u>(4,085,514)</u>	1,087,825
In the statement of activities the loss on disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds.			(25,861)
Deferred outflows related to pension plans and opeb does not require the use of current financial resources and consequently is not reported in the funds.			
Deferred outflows of resources related to pension plans.		1,527,957	
Deferred outflows of resources related to opeb.		<u>31,397</u>	1,559,354
Liability for other postemployment benefits (OPEB) does not require the use of current financial resources and consequently is not reported in the funds.			
Current year change in the liability for other postemployment benefits			(191,749)
Revenues which do not provide current financial resources and are not reported in the governmental funds.			
Current year change in accrued interest			70,700
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Current year change in compensated absences		(28,256)	
Net pension liability		(4,270,195)	
Deferred inflows of resources related to pension plans		<u>1,572,859</u>	(2,725,592)
Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds.			
The net income of the internal service funds is reported with governmental activities.			<u>(157,320)</u>
Change in net position of governmental activities.	\$		<u><u>(959,683)</u></u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 13,387,809	\$ 13,477,484	\$ 13,479,199	\$ 1,715
Permits and fees	2,184,727	2,340,199	2,285,519	(54,680)
Intergovernmental	2,866,900	2,919,914	3,051,258	131,344
Charges for services	3,083,082	3,106,430	3,122,274	15,844
Fines and forfeitures	133,000	164,678	197,106	32,428
Other	1,064,766	1,094,603	1,516,360	421,757
Total Revenues	22,720,284	23,103,308	23,651,716	548,408
Expenditures:				
Current:				
General Government:				
Board of commissioners	154,369	156,369	154,147	2,222
City manager	314,950	319,617	319,722	(105)
Financial administration	495,174	542,873	534,734	8,139
Human resources	309,878	263,726	252,714	11,012
Purchasing	239,692	240,497	205,408	35,089
Management information services	725,004	705,235	716,179	(10,944)
City attorney	162,841	238,118	252,319	(14,201)
Planning	474,861	429,824	344,051	85,773
City clerk	341,083	355,223	352,405	2,818
Project administration	101,281	101,281	94,952	6,329
Non-departmental	747,613	728,222	592,286	135,936
	4,066,746	4,080,985	3,818,917	262,068
Public Safety:				
Police	7,934,078	8,164,101	8,137,818	26,283
Fire/ems/emergency management	5,155,533	5,265,744	5,259,116	6,628
Protective inspections	943,159	888,514	841,558	46,956
	14,032,770	14,318,359	14,238,492	79,867
Physical Environment:				
City buildings/grounds	680,935	775,240	775,922	(682)
Cemetery	303,581	307,775	299,757	8,018
Tree bank	75,000	117,639	117,638	1
	1,059,516	1,200,654	1,193,317	7,337
Transportation:				
Roads and streets	1,053,235	1,193,736	1,211,594	(17,858)
Economic Environment:				
Economic development	126,753	126,353	125,177	1,176
Culture and Recreation:				
Library	1,374,718	1,470,502	1,369,567	100,935
Parks and recreation	1,813,800	1,854,474	1,812,937	41,537
Cultural	775,180	817,294	711,595	105,699
	3,963,698	4,142,270	3,894,099	248,171
Capital Outlay	413,159	846,866	598,198	248,668
Total Expenditures	24,715,877	25,909,223	25,079,794	829,429
Excess of Revenues Over (Under) Expenditures	(1,995,593)	(2,805,915)	(1,428,078)	1,377,837
Other Financing Sources (Uses):				
Transfers in	1,984,187	1,984,187	1,984,187	-
Transfers out	(99,970)	(99,970)	(113,412)	(13,442)
Total Other Financing Sources (Uses)	1,884,217	1,884,217	1,870,775	(13,442)
Net Change in Fund Balances	(111,376)	(921,698)	442,697	1,364,395
Fund Balances - Beginning of Year	14,178,351	14,178,351	14,178,351	-
Fund Balances - End of Year	\$ 14,066,975	\$ 13,256,653	\$ 14,621,048	\$ 1,364,395

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**COMMUNITY REDEVELOPMENT AGENCY FUND - DOWNTOWN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 249,172	\$ 249,172	\$ 241,342	\$ (7,830)
Intergovernmental	246,495	246,495	238,881	(7,614)
Other	1,697	1,697	16,524	14,827
Total Revenues	497,364	497,364	496,747	(617)
Expenditures:				
Current:				
Economic Environment:				
Other	300,438	300,438	177,091	123,347
Capital Outlay	201,055	201,055	-	201,055
Total Expenditures	501,493	501,493	177,091	324,402
Net Change in Fund Balances	(4,129)	(4,129)	319,656	323,785
Fund Balances - Beginning of Year	123,345	123,345	123,345	-
Fund Balances - End of Year	<u>\$ 119,216</u>	<u>\$ 119,216</u>	<u>\$ 443,001</u>	<u>\$ 323,785</u>

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



**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 778,765	\$ 2,066,510	\$ 390,900	\$ 3,236,175	\$ 177,679
Investments	1,372,821	5,872,632	611,225	7,856,678	1,000,821
Receivables:					
Interest	15,718	166,502	10,244	192,464	9,725
Accounts - billed (net)	375,900	975,849	104,937	1,456,686	-
Accounts - unbilled	161,463	590,795	58,038	810,296	-
Due from other governments	1,228,179	-	4,326	1,232,505	74
Advance to other fund	409,458	275,000	-	684,458	153,783
Inventories	-	230,472	21,813	252,285	35,894
Prepaid items	11,850	144,396	17,397	173,643	5,766
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	28,327	61,468	-	89,795	-
Customer deposits-investments	547,061	1,134,817	-	1,681,878	-
Total Current Assets	4,929,542	11,518,441	1,218,880	17,666,863	1,383,742
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	2,252,789	-	2,252,789	-
Construction fund	-	625	-	625	-
Investments:					
Impact fees	-	189,742	-	189,742	-
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	812,775	-	812,775	-
Receivables:					
Accrued interest	-	13,909	-	13,909	-
Accounts receivable - billed (net)	-	2,257	-	2,257	-
Capital Assets:					
Land and land rights	421,435	2,566,730	471,522	3,459,687	-
Buildings and improvements	91,593	1,423,562	510,725	2,025,880	44,756
Improvements other than buildings	147,613	120,973,788	6,639,628	127,761,029	522,474
Machinery and equipment	763,207	4,728,641	2,271,843	7,763,691	125,631
Accumulated depreciation	(657,275)	(46,797,647)	(4,267,515)	(51,722,437)	(385,020)
Construction in progress	-	5,274,665	293,993	5,568,658	-
Total Non-Current Assets	766,573	93,487,730	5,920,196	100,174,499	307,841
Total Assets	5,696,115	105,006,171	7,139,076	117,841,362	1,691,583
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	3,794	30,680	6,613	41,087	2,541
Total Deferred Outflows of Resources	3,794	30,680	6,613	41,087	2,541
LIABILITIES					
Current Liabilities:					
Accounts payable	20,838	654,155	111,793	786,786	10,072
Accrued liabilities	5,253	49,779	10,037	65,069	2,679
Contracts payable	454,420	120,498	-	574,918	-
Due to other fund (deficit in pooled cash)	-	-	1,168,993	1,168,993	-
Advance from other fund	-	-	176,309	176,309	-
Bonds payable	-	940,000	-	940,000	-
Claims payable	-	-	-	-	10,141
Compensated absences	1,762	18,326	2,154	22,242	2,841
Unearned revenue	-	7,167	19,964	27,131	-
Current Liabilities (payable from restricted assets):					
Customer deposits	575,388	1,196,285	2,091	1,773,764	-
Total Current Liabilities	1,057,661	2,986,210	1,491,341	5,535,212	25,733
Non-Current Liabilities:					
Bonds payable	-	30,961,421	-	30,961,421	-
Claims payable	-	-	-	-	102,293
Other postemployment benefits	29,614	239,461	51,622	320,697	19,832
Compensated absences	16,549	222,122	31,468	270,139	11,050
Total Non-Current Liabilities	46,163	31,423,004	83,090	31,552,257	133,175
Total Liabilities	1,103,824	34,409,214	1,574,431	37,087,469	158,908
DEFERRED INFLOWS OF RESOURCES					
Sewer impacts/connections-future year	-	7,255	-	7,255	-
Total Deferred Inflows of Resources	-	7,255	-	7,255	-
NET POSITION					
Net investment in capital assets	766,574	56,268,317	5,920,195	62,955,086	307,841
Restricted for:					
Revenue bond reserve requirements	-	2,045,894	-	2,045,894	-
Revenue bond renewal and replacement requirements	-	812,775	-	812,775	-
Capital projects - impact fee program	-	2,451,442	-	2,451,442	-
Other contractual obligations	421,308	649,868	39,210	1,110,386	195,443
Unrestricted	3,408,203	8,392,086	(388,147)	11,412,142	1,031,932
Total Net Position	\$ 4,596,085	\$ 70,620,382	\$ 5,571,258	\$ 80,787,725	\$ 1,535,216

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Operating Revenues:					
Charges for services	\$ 5,214,181	\$ 16,344,609	\$ 2,811,905	\$ 24,370,695	\$ 1,720,080
Other	1,836	212,352	147,133	361,321	-
Total Operating Revenues	5,216,017	16,556,961	2,959,038	24,732,016	1,720,080
Operating Expenses:					
Personnel services	575,385	4,965,831	972,968	6,514,184	339,622
Contractual services	4,189,788	810,133	1,121,629	6,121,550	51,104
Supplies	22,330	1,152,385	229,962	1,404,677	423,995
Repairs and maintenance	45,298	852,000	88,984	986,282	314,328
Utilities	5,739	1,268,878	69,806	1,344,423	1,094
Claims	-	-	-	-	86,032
Insurance	-	-	-	-	663,731
Depreciation	100,741	4,169,918	416,026	4,686,685	47,392
Total Operating Expenses	4,939,281	13,219,145	2,899,375	21,057,801	1,927,298
Operating Income (Loss)	276,736	3,337,816	59,663	3,674,215	(207,218)
Non-Operating Revenues (Expenses):					
Investment income	67,772	434,640	31,668	534,080	32,179
Net change in fair value of investments	16,814	84,225	10,693	111,732	16,645
Intergovernmental grants	1,244,909	-	12,565	1,257,474	1,074
Interest expense	(10,773)	(1,151,064)	-	(1,161,837)	-
Amortization of bond premium	-	16,471	-	16,471	-
Other	(5,811)	(28,089)	(992)	(34,892)	-
Total Non-Operating Revenues (Expenses)	1,312,911	(643,817)	53,934	723,028	49,898
Income (Loss) before Contributions and Transfers	1,589,647	2,693,999	113,597	4,397,243	(157,320)
Capital grants and contributions	-	557,077	-	557,077	-
Transfers out	(349,034)	(1,193,712)	(169,007)	(1,711,753)	-
Total Capital Grants, Contributions and Transfers Out	(349,034)	(636,635)	(169,007)	(1,154,676)	-
Change in Net Position	1,240,613	2,057,364	(55,410)	3,242,567	(157,320)
Net Position - Beginning of Year	3,355,472	68,563,018	5,626,668	77,545,158	1,692,536
Net Position - End of Year	\$ 4,596,085	\$ 70,620,382	\$ 5,571,258	\$ 80,787,725	\$ 1,535,216

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 4,013,366	\$ 16,453,967	\$ 2,950,995	\$ 23,418,328	\$ -
Cash payments to suppliers	(4,311,536)	(4,047,091)	(1,599,595)	(9,958,222)	(1,594,884)
Cash payments to employees	(567,429)	(4,887,890)	(960,248)	(6,415,567)	(331,130)
Cash received from other funds	-	-	-	-	1,715,143
Other	(5,811)	(28,089)	(992)	(34,892)	-
Net cash provided (used) by operating activities	(871,410)	7,490,897	390,160	7,009,647	(210,871)
Cash flows from noncapital financing activities:					
Transfers out	(349,034)	(1,193,712)	(169,007)	(1,711,753)	-
Intergovernmental grants	1,244,909	-	12,565	1,257,474	1,074
Interest paid	(10,773)	(22,051)	-	(32,824)	-
Advance to other fund	101,705	75,000	-	176,705	98,394
Advance from other fund	-	-	(33,255)	(33,255)	-
Payment of cash on loans to/from other funds	-	-	186,589	186,589	-
Net cash provided (used) by noncapital financing activities	986,807	(1,140,763)	(3,108)	(157,064)	99,468
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(915,000)	-	(915,000)	-
Interest payments on debt	-	(1,129,013)	-	(1,129,013)	-
Disposal of capital assets	-	16,515	-	16,515	-
Acquisition and construction of capital assets	(3,817)	(4,645,450)	(432,730)	(5,081,997)	(1,699)
Contributed capital - impact fees	-	557,077	-	557,077	-
Net cash used for capital and related financing activities	(3,817)	(6,115,871)	(432,730)	(6,552,418)	(1,699)
Cash flows from investing activities:					
Interest on investments	67,772	434,640	31,668	534,080	32,179
Proceeds of investment sales & maturities	2,162,755	12,454,399	265,982	14,883,136	-
Purchase of investments	(2,046,882)	(11,813,293)	(110,258)	(13,970,433)	-
Net cash provided by investing activities	183,645	1,075,746	187,392	1,446,783	32,179
Net increase (decrease) in cash and cash equivalents	295,225	1,310,009	141,714	1,746,948	(80,923)
Cash and cash equivalents at beginning of year	511,867	3,071,383	249,186	3,832,436	258,602
Cash and cash equivalents at end of year	<u>\$ 807,092</u>	<u>\$ 4,381,392</u>	<u>\$ 390,900</u>	<u>\$ 5,579,384</u>	<u>\$ 177,679</u>
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 778,765	\$ 2,066,510	\$ 390,900	\$ 3,236,175	\$ 177,679
Restricted cash and cash equivalents - current:					
Customer deposits	28,327	61,468	-	89,795	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	2,252,789	-	2,252,789	-
Construction fund	-	625	-	625	-
	<u>\$ 807,092</u>	<u>\$ 4,381,392</u>	<u>\$ 390,900</u>	<u>\$ 5,579,384</u>	<u>\$ 177,679</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-type Activities Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 276,736	\$ 3,337,816	\$ 59,663	\$ 3,674,215	\$ (207,218)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	(5,811)	(28,089)	(992)	(34,892)	-
Depreciation expense	100,741	4,169,918	416,026	4,686,685	47,392
Change in assets and liabilities:					
Increase in accounts receivable - interest	(8,798)	(95,517)	(4,542)	(108,857)	(4,863)
Increase in accounts receivable - billed (net)	(8,428)	(43,077)	(1,156)	(52,661)	-
(Increase) decrease in unbilled accounts receivable	4,229	(43,232)	(618)	(39,621)	-
(Increase) decrease in due from other governments	(1,189,654)	81,070	(4,326)	(1,112,910)	(74)
(Increase) decrease in inventories	-	(12,338)	(2,971)	(15,309)	6,312
Increase in prepaid items	(1,073)	(41,196)	(374)	(42,643)	(551)
Increase in deferred outflow-OPEB	(731)	(5,733)	(1,251)	(7,715)	(614)
Increase (decrease) in accounts and contracts payable	(59,118)	76,455	(85,460)	(68,123)	1,375
Increase in accrued liabilities	1,388	16,873	3,791	22,052	472
Decrease in claims payable	-	-	-	-	(61,736)
Increase in unavailable revenue	-	23	2,599	2,622	-
Increase (decrease) in customer deposits	11,810	13,384	(409)	24,785	-
Increase in other postemployment benefits	5,047	39,390	8,618	53,055	4,375
Increase in compensated absences	2,252	27,411	1,562	31,225	4,259
Decrease in deferred inflows of resources	-	(2,261)	-	(2,261)	-
Total adjustments	<u>(1,148,146)</u>	<u>4,153,081</u>	<u>330,497</u>	<u>3,335,432</u>	<u>(3,653)</u>
Net cash provided (used) by operating activities	<u>\$ (871,410)</u>	<u>\$ 7,490,897</u>	<u>\$ 390,160</u>	<u>\$ 7,009,647</u>	<u>\$ (210,871)</u>

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

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	Employee Retirement Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 1,779,265
Accounts receivable	45,244
Interest receivable	101,788
Investments, at fair value:	
U.S. Government Securities	6,462,606
Equities Common Stock	36,279,979
Mutual Funds	11,204,193
Corporate Bonds	7,337,792
Real Estate	4,246,020
Total Investments	65,530,590
Total Assets	67,456,887
<b>Liabilities</b>	
Accounts payable	38,373
Total Liabilities	38,373
<b>Net Position</b>	
Restricted for Pension Benefits	\$ 67,418,514

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	\$ 2,048,776
Plan members	556,671
State of Florida	479,994
Total Contributions	<u>3,085,441</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	(69,744)
Interest	1,263,660
Dividends	671,825
	<u>1,865,741</u>
Less Investment Expenses:	
Investment management fees	267,881
	<u>267,881</u>
Net Investment Income	<u>1,597,860</u>
Total Additions	<u>4,683,301</u>
Deductions:	
Benefits	3,089,633
Refunds of contributions	555,389
Administrative expense	265,676
Total Deductions	<u>3,910,698</u>
Change in Net Position	772,603
Net Position - Beginning of Year	<u>66,645,911</u>
Net Position - End of Year	<u><u>\$ 67,418,514</u></u>

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Note I - Summary of Significant Accounting Policies

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

##### **A. The Financial Reporting Entity**

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

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

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

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

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

#### Related Organization – Tarpon Springs Housing Authority (TSHA):

TSHA is a public housing authority created by City Resolution 1062 (1964), under Section 421.04 of the Florida Statutes. TSHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Commission appoints the governing board, however, the City Commission is not able to impose its will on the TSHA, nor does the City have any responsibility for the budget, debt, financing deficits, or fiscal management of TSHA. Consequently it is not a component unit of the City of Tarpon Springs. Separate audited financial statements of TSHA, as of March 31, 2019, are available from TSHA.

## **B. Basic Financial Statements**

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

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

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



**Notes to the Financial Statements**  
**September 30, 2019**

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are an exception, as they are considered available

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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when eligible expenditures have occurred even though they may be collected for up to one year after the current fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when the liability has matured, with the exception of interest and principal which are recognized as expenditures when funds are transferred to the debt service fund to make payments due shortly after the fiscal year end.

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

#### The City reports the following major governmental funds:

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

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

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

#### The City reports the following major proprietary funds:

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

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

#### Additionally, the City reports the following fund types:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

#### Operating and Non-operating items in Proprietary Funds:

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

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

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

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

##### Cash and Investments:

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

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

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

#### Receivables and payables:

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

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

#### Inventories and prepaid items:

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Capital Assets:

Capital assets, which include property, plant, equipment, intangibles and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	<u>YEARS</u>
Buildings and Improvements	20-30
Improvements Other Than Buildings	15-30
Machinery and Equipment	5-10
Intangibles-Software Purchases	5-10
Infrastructure	30

Net interest cost (interest cost less interest earned on the investment of unexpended debt proceeds) is capitalized for business-type activities on construction projects financed with tax-exempt debt. Interest cost is not capitalized on projects financed by government grants, third party donations or on assets in the governmental funds. Total interest incurred for business-type activities during the current fiscal year was \$1,129,013. There was no capitalized interest in Fiscal Year 2019.

#### Compensated Absences:

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

<u>Years Of Service</u>	<u>Total Weeks Per Year</u>
1 to 5	two weeks
5 to 9	three weeks
10 and over	four weeks

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

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested vacation or sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

#### Long-Term Obligations:

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

#### Unearned Revenue:

Unearned revenue recorded in the general fund relates to rental payments from Florida Hospital North Pinellas (formerly Helen Ellis Memorial Hospital) that is for the next fiscal year.

Unearned revenue in the golf course fund is for gift certificates and rainchecks that will be redeemed in the next fiscal year.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Deferred Outflows of Resources/Deferred Inflows of Resources:

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

Deferred Outflows of Resources - is a consumption of net position by the government that is applicable to a future reporting period.

Deferred Inflows of Resources - is an acquisition of net position by the government that is applicable to a future reporting period.

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

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

In accordance with GASB Statement No. 65, the City has previously determined that Local Business Taxes, Mausoleum Loans, Sewer Impact/Connection Loans and Hospital Lease 2041 - 2070 that were all billed in FY 2019, Grants that met the eligibility requirements, and Differences between Expected and Actual Experience in Pensions, are revenues of the subsequent year FY 2020, are to be classified as Deferred Inflows of Resources. Differences between Projected and Actual Earnings in Pensions and OPEB, are to be classified as Deferred Outflows of Resources.

#### Net Position:

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$14,662,898 of restricted net position, of which \$6,624,080 is restricted by enabling legislation.

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

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

#### Fund Balance:

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

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

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

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



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

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

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

#### Fund Balance/Net Position Policy:

##### I. Purpose

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

##### II. Definitions of Fund Balance/Net Position

#### Fund Balance of Governmental Funds:

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

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

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

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

#### Net Position of Proprietary Funds:

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

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

### III. Policy

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

A. General Fund - There shall be a reserve balance in its unassigned fund balance equal to 20% of the current fiscal year operating expenditure and transfers out budgeted for the fund. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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subsequent fiscal year. The reserve shall be in addition to all other categories of fund balance which include Non-Spendable, Restricted, Committed and Assigned. In any fiscal year where the City is unable to fund the reserve balance of Unassigned fund balance as required in this section, the City shall not budget any amount of unappropriated fund balance for the purpose of balancing the budget.

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

#### IV. Utilization of Surplus Reserves

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

#### V. Replenishment of Reserve Deficits

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

#### VI. Annual Review

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

#### Interfund Transactions:

Interfund transactions are reflected as either loans (advances), services provided, reimbursements or transfers. Loans are reported as receivables and payables as

Notes to the Financial Statements  
September 30, 2019

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

During the fiscal year ended September 30, 2019 there were no new funds and none were eliminated.

**E. Recently Issued and Implemented Accounting Pronouncements**

The following Government Accounting Standards were effective in fiscal year 2019.

*GASB 83 – Certain Asset Retirement Obligations.* This standard is effective for fiscal year end September 30, 2019. This standard addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This standard also establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. This standard is not expected to impact the City's financial statements.

*GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* This standard clarifies which liabilities governments should include in their note disclosures related to debt. This standard requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. This standard also requires the disclosure of additional essential debt-related information for all types of debt. This standard is not expected to materially impact the City's financial statements.

**Note II - Stewardship, Compliance and Accountability**

**A. Budgetary information**

Annual appropriated budgets are adopted for all funds except for the trust funds which are not required to be budgeted. All annual appropriations lapse at fiscal year-end. Project-length financial plans, in addition to annual appropriated budgets, are adopted for all capital project funds. Supplemental budgetary appropriations were necessary during fiscal 2019, but had immaterial financial statement impact.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as restricted, committed or assigned fund balances and do not constitute expenditures or liabilities because they will be re-appropriated and honored during the subsequent year.

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

1. The City Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is approved by the Commission through the passage of a resolution.
4. All budget transfers between departments and all budget amendments must be approved by the Commission. The City Manager is authorized to transfer budgeted amounts within a department of a fund. The legal level of budgetary control per the city charter is the department level. During fiscal 2019, periodic amendments were made to the approved budget.
5. Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.
6. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

The assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2019 was 5.4200.

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

All property is reassessed according to its fair value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the roll meets all of the appropriate requirements of state statutes.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March or after are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property.

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holders after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

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

#### **Excess of Expenditures Over Appropriations**

The City had no expenditures over appropriations.

#### **Deficit Fund Balance/Net Position**

The City's Golf Course Enterprise Fund contains a total net position deficit of \$585,607. This is caused by extensive capital projects being undertaken at the golf course. A reduction of the interfund transfer to the General Fund on a temporary basis, a decrease in the amount of Capital expenses, and rate adjustments will alleviate this deficit.

### **Note III - Detailed Notes on all Funds**

#### **A. Deposits and Investments**

##### **Deposits:**

All cash of the City is entirely insured either by federal depository insurance corporation (FDIC) or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02. Florida Statutes require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance. At year-end, the carrying amount of the City's deposits that were insured through the "FDIC" or as "Qualified Public Deposits" was \$18,958,407 which consisted of Checking

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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accounts \$3,682,213, BankUnited Public Funds Savings \$6,776,194, and Certificate of Deposits \$8,500,000.

#### Pooled Cash and Investments:

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

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

Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs. Given this strategy, the basis to determine whether market yields are being achieved shall be the average investment return as stated by the Florida Prime, formerly the SBA, for each fiscal year ending September 30. The average investment return as stated by the Florida Prime for fiscal year ending September 30, 2019 is 2.52%. During Fiscal Year 2019, the average cash/investment pool balance was \$42,968,284 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$1,052,994 (not including bond/debt service earnings) giving an average rate of return of 2.45% on the average balance.

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

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

## **City of Tarpon Springs, Florida**

### **Notes to the Financial Statements September 30, 2019**

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

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

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

Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by the observable market data through correlation or by other means.

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

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



# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2019

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

Cash and Cash Equivalents and Investments	Maturity/ WAM	Fair Value	Rating	Rating Agency	Hierarchy Level
<b>Cash and Cash Equivalents:</b>					
Cash on Hand		\$ 107,696			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		3,558,671			
Bond Proceeds		625			
		<u>3,559,296</u>			
Bank of America - Checking Account					
Operating Funds		122,917			
		<u>122,917</u>			
Public Funds Savings Accounts:					
BankUnited		6,776,194			
		<u>6,776,194</u>			
State Board of Administration (Florida Prime)					
Plan A	37 days	155	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		<u>155</u>			
Florida Municipal Investment Trust -					
High Quality Government Fund	0.86	149,977	AAAf/S1	Fitch	2
1-3 Year High Quality Bond Fund	1.69	528,528	AAAf/S2	Fitch	2
Intermediate High Quality Bond Fund	3.59	1,092,268	AAAf/S3	Fitch	2
Total Florida Municipal Investment Trust		<u>1,770,773</u>			
Total Cash and Cash Equivalents		<u>12,337,031</u>			
<b>Investments:</b>					
Certificate of Deposit - Hancock	12/17/2019	4,000,000	n/a		n/a
Certificate of Deposit - BankUnited	1/3/2020	3,000,000	n/a		n/a
Certificate of Deposit - Hancock	1/3/2020	1,500,000	n/a		n/a
Federal Farm Credit Bank Note	1/6/2020	1,999,415	AA+	S & P	1
Federal Home Loan Bank Note	4/27/2020	1,500,165	AA+	S & P	1
Federal Home Loan Bank Note	7/30/2020	999,350	AA+	S & P	1
Federal Home Loan Mortgage Corporation	12/18/2020	2,003,867	AA+	S & P	2
Federal Home Loan Mortgage Corporation	1/26/2021	2,000,439	AA+	S & P	2
Federal Home Loan Mortgage Corporation	2/26/2021	2,019,380	AA+	S & P	2
Federal Home Loan Mortgage Corporation	8/12/2021	997,703	AA+	S & P	2
Federal Farm Credit Bank Note	8/19/2021	995,851	AA+	S & P	1
Federal Farm Credit Bank Note	2/22/2022	999,125	AA+	S & P	1
Federal Home Loan Mortgage Corporation	6/6/2022	3,000,988	AA+	S & P	2
Federal Home Loan Mortgage Corporation	6/27/2022	1,500,458	AA+	S & P	2
Federal Home Loan Mortgage Corporation	7/8/2022	3,000,109	AA+	S & P	2
Federal Home Loan Mortgage Corporation	4/17/2023	1,993,913	AA+	S & P	2
Total Investments		<u>31,510,763</u>			
Total Pooled Cash and Investments		<u>\$ 43,847,794</u>			

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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Cash and investments as of September 30, 2019 are classified in the accompanying financial statements as follows:

<u>Statement of Net Position</u>	<u>9/30/2019</u>
Primary Government:	
Cash and cash equivalents	\$ 9,993,822
Investments	26,780,474
Restricted assets:	
Cash and cash equivalents	2,343,209
Investments	<u>4,730,289</u>
Total Pooled Cash and Investments per CAFR	<u><u>\$ 43,847,794</u></u>

#### Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2019, the City minimized the interest rate risk by limiting the effective duration of security types not to exceed five years with the exception of securities related to a specific cash flow such as a reserve fund and investing operating funds in primarily shorter-term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

#### Credit Risk:

In compliance with the City's Investment Policy, as of September 30, 2019, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities, U. S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

#### **Pension Plan Assets**

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

Investments are held by the City's/Funds' custodians, trust companies having trust powers in the State of Florida. Investments in the Fund are reported at fair value. Level 2 hierarchy

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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market values were determined by the custodians using a market approach, and matrix pricing techniques. Investment transactions are recognized on the trade date.

#### Firefighters' Retirement System

##### Deposits:

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

##### Investments:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

<u>Firefighters' Retirement System Cash and Investments</u>	<u>Fair Value</u>	<u>Moody's Rating</u>	<u>Hierarchy Level</u>
Cash and Cash Equivalents:			
Cash in Managed Investment Accounts	\$ 682,365	n/a	1
Investments:			
U. S. Treasuries	24,748	AAA	1
U. S. Government Agencies	137,413	AAA	1
Municipals	10,611	AAA	1
Mortgage-Backed Obligations	2,042,451	AAA	2
Canadian Treasury Security	55,755	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	439,280	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	1,030,828	A1/A2/A3	2
Domestic Corporate Bonds	826,998	Baa1/Baa2/Baa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	4,246,020	n/a	n/a
Equities Common Stock	17,630,715	n/a	1
Total Investments	<u>26,444,819</u>		
Total Managed Cash and Investments	<u>\$ 27,127,184</u>		

The real estate fund has no unfunded commitments at September 30, 2019. The redemption frequency is quarterly and requires 30 days notice. The fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments.

#### Credit Risk:

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

#### Interest Rate Risk:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Police Officers' Retirement System

##### Deposits:

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

##### Investments:

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

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

<u>Police Officers' Retirement System Cash and Investments</u>	<u>Fair Value</u>	<u>Moody's Rating</u>	<u>Hierarchy Level</u>
Cash and Cash Equivalents:			
Cash in Managed Investment Accounts	\$ 1,096,900	n/a	
Investments:			
U. S. Government Agencies	3,832,306	AAA	1
Mortgage-Backed Obligations	359,322	Not Rated	2
Domestic Corporate Bonds	5,040,686	A1/A2/A3	2
Equities Common Stock	18,649,264	n/a	1
Total Investments	<u>27,881,578</u>		
Total Managed Cash and Investments	<u>\$ 28,978,478</u>		

##### Credit Risk:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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income investments that are downgraded below a “BAA” rating are to be liquidated immediately.

#### Interest Rate Risk:

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

#### General Employees’ Retirement Systems

##### Deposits:

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

##### Investments:

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

<u>General Employees' Retirement System Investments</u>	<u>Fair Value</u>	<u>Moody's Rating</u>
Investments:		
Mutual Funds - General Employees Pension Plan	\$ 11,204,193	n/a

#### Interest Rate Risk:

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

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2019**

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**B. Receivables**

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

	Governmental Activities		
	Internal		Total
	General	Service	
Interest	\$ 130,089	\$ 9,725	\$ 139,814
Accounts - billed	46,678	-	46,678
Loan	200,000	-	200,000
Taxes	534,655	-	534,655
Total receivables	\$ 911,422	\$ 9,725	\$ 921,147
Allow. for uncollectibles	-	-	-
Net total receivables	\$ 911,422	\$ 9,725	\$ 921,147
	Business-type Activities		
	Water/		Total
	Sanitation	Sewer	
Interest	\$ 15,718	\$ 166,502	\$ 182,220
Accounts - billed	426,669	1,100,584	1,527,253
Accounts - unbilled	161,463	590,795	752,258
	603,850	1,857,881	2,461,731
Allow. for uncollectibles	(50,769)	(124,735)	(175,504)
Net total receivables	\$ 553,081	\$ 1,733,146	\$ 2,286,227
Restricted:			
Accrued interest	-	13,909	13,909
Accounts - billed	-	2,257	2,257
Total restricted receivables	\$ -	\$ 16,166	\$ 16,166

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2019

### C. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 6,395,459	\$ 324,467	\$ -	\$ 6,719,926
Construction in progress	2,610,138	3,181,483	(2,460,266)	3,331,355
Total capital assets, not being depreciated	<u>9,005,597</u>	<u>3,505,950</u>	<u>(2,460,266)</u>	<u>10,051,281</u>
Capital assets, being depreciated:				
Buildings	25,225,867	-	-	25,225,867
Improvements other than buildings	16,943,164	2,108,124	(5,265)	19,046,023
Machinery and equipment	12,057,390	929,861	(930,001)	12,057,250
Infrastructure	46,872,967	1,091,371	-	47,964,338
Total capital assets, being depreciated	<u>101,099,388</u>	<u>4,129,356</u>	<u>(935,266)</u>	<u>104,293,478</u>
less accumulated depreciation for:				
Buildings	(14,014,726)	(794,425)	-	(14,809,151)
Improvements other than buildings	(7,075,125)	(931,463)	4,522	(8,002,066)
Machinery and equipment	(8,647,855)	(1,148,303)	904,883	(8,891,275)
Infrastructure	(27,976,093)	(1,258,717)	-	(29,234,810)
Total accumulated depreciation	<u>(57,713,799)</u>	<u>(4,132,908)</u>	<u>909,405</u>	<u>(60,937,302)</u>
Total capital assets, being depreciated, net	43,385,589	(3,552)	(25,861)	43,356,176
Governmental activities capital assets, net	<u>\$ 52,391,186</u>	<u>\$ 3,502,398</u>	<u>\$ (2,486,127)</u>	<u>\$ 53,407,457</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 3,459,687	\$ -	\$ -	\$ 3,459,687
Construction in progress	5,459,980	3,607,469	(3,498,791)	5,568,658
Total capital assets, not being depreciated	<u>8,919,667</u>	<u>3,607,469</u>	<u>(3,498,791)</u>	<u>9,028,345</u>
Capital assets, being depreciated:				
Buildings	2,005,150	20,730	-	2,025,880
Improvements other than buildings	123,189,482	4,571,547	-	127,761,029
Machinery and equipment	7,470,723	381,042	(88,074)	7,763,691
Total capital assets, being depreciated	<u>132,665,355</u>	<u>4,973,319</u>	<u>(88,074)</u>	<u>137,550,600</u>
less accumulated depreciation for:				
Buildings	(1,070,758)	(579,756)	-	(1,650,514)
Improvements other than buildings	(41,069,771)	(3,429,446)	-	(44,499,217)
Machinery and equipment	(4,966,782)	(677,483)	71,559	(5,572,706)
Total accumulated depreciation	<u>(47,107,311)</u>	<u>(4,686,685)</u>	<u>71,559</u>	<u>(51,722,437)</u>
Total capital assets, being depreciated, net	85,558,044	286,634	(16,515)	85,828,163
Business-type activities capital assets, net	<u>\$ 94,477,711</u>	<u>\$ 3,894,103</u>	<u>\$ (3,515,306)</u>	<u>\$ 94,856,508</u>



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

Governmental activities:	
General government	\$ 490,594
Public safety	1,330,425
Physical environment	181,981
Transportation	1,267,765
Economic environment	189,993
Culture/recreation	624,758
Internal service funds	<u>47,392</u>
Total depreciation expense - governmental activities	<u>\$ 4,132,908</u>
Business-type activities:	
Sanitation	\$ 100,741
Water and Sewer	4,169,918
Stormwater	332,578
Marina	16,458
Golf Course	<u>66,990</u>
Total depreciation expense - business-type activities	<u>\$ 4,686,685</u>

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

#### **D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of September 30, 2019, is as follows:

Due to / from other funds:

As discussed in Note I – D, individual fund deficits from all pooled cash and investment accounts, if any, have been reclassified as of September 30, 2019, as inter-fund loans from the General Fund, which was selected by management for this purpose.

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements**  
**September 30, 2019**

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The amounts of the reclassified balances at September 30, 2019 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,168,993	\$ -
Enterprise Fund:		
Marina	-	18,309
Golf Course	-	1,150,684
Total	<u>\$ 1,168,993</u>	<u>\$ 1,168,993</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 153,783
Special Revenue Fund:		
CRA	-	275,000
Impact Fees	-	233,149
Enterprise Fund:		
Sanitation	409,458	-
Water-Sewer	275,000	
Golf Course	-	176,309
Internal Service Fund:		
Risk Management	153,783	-
Total	<u>\$ 838,241</u>	<u>\$ 838,241</u>

In Fiscal Year 2010, the sanitation fund advanced funds to the golf course fund in the amount of \$430,415 for the purpose of providing the balance of monies required for past capital expenditures and declining revenues. The sanitation fund advanced additional funds in Fiscal Year 2014 in the amount of \$180,000 for the reconstruction of the greens. This advance was decreased with a reimbursement of \$33,255 in Fiscal Year 2019. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are

## **City of Tarpon Springs, Florida**

### **Notes to the Financial Statements September 30, 2019**

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collected. At September 30, 2019, the unpaid advance was \$176,309, which is included in the total advances of \$838,241 in the City's financial statements.

In Fiscal Year 2014, the risk management fund advanced funds to the general fund in the amount of \$601,078 for the purpose of providing the balance of monies required for the energy performance contract expenditures. This advance was decreased with a reimbursement of \$98,394 in Fiscal Year 2019. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2019, the unpaid advance was \$153,783, which is included in the total advances of \$838,241 in the City's financial statements.

In Fiscal Year 2017, the sanitation fund advanced funds to the fire impact fund in the amount of \$500,000 for the purpose of providing the balance of monies required for the construction of fire station 71. This advance was decreased with a reimbursement of \$68,450 in Fiscal Year 2019. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2019, the unpaid advance was \$233,149, which is included in the total advances of \$838,241 in the City's financial statements.

In Fiscal Year 2018, the water-sewer fund advanced funds to the community redevelopment agency CRA fund in the amount of \$350,000 for the purpose of providing the balance of monies required for the purchase of the Sunbay Motel property. This advance was decreased with a reimbursement of \$75,000 in Fiscal Year 2019. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2019, the unpaid advance was \$275,000, which is included in the total advances of \$838,241 in the City's financial statements.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Interfund transfers:

	Transfer In:		Total
	General Fund	Non-major Governmental Funds	
Transfer Out:			
General Fund	\$ -	\$ 113,412	\$ 113,412
Non-major Governmental Funds	272,434	180,000	452,434
Enterprise Funds:			
Sanitation	349,034	-	349,034
Water & Sewer	1,193,712	-	1,193,712
Non-major Enterprise Funds	169,007	-	169,007
	<u>\$ 1,984,187</u>	<u>\$ 293,412</u>	<u>\$ 2,277,599</u>

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

#### **E. Leases**

##### Operating Leases:

The City is lessor on various leases. Aggregate rental income totaled \$497,602 in fiscal year 2019. Included in this amount are rents of \$356,335 received under the terms of a 40-year lease dated September 1, 2000, with the Tarpon Springs Hospital Foundation, Inc. for rental of the Helen Ellis Memorial Hospital property and facilities that are owned by the City. The previous lease with the Tarpon Springs Health Facilities Authority was terminated on September 1, 2000 and a new lease between the City and the Tarpon Springs Hospital Foundation, Inc. was commenced on September 1, 2000. The annual rent with the new lease is \$250,000 and on the fifth anniversary the base rent shall be increased by ten percent and on each annual anniversary thereafter the annual base rent shall be increased by two percent.

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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Included in the aggregate rental income of \$497,602 is \$73,500 received under the terms of a 50-year lease dated March 17, 2004 with Savannah Cove Limited Partnership for leasing of the land in which Savannah Cove Limited Partnership has an elder housing apartment complex. The annual rent with the lease is \$73,500 annually. As part of the closing of the lease on March 17, 2004, the City loaned Savannah Cove Limited Partnership \$200,000 in which interest shall be payable on this Promissory Note at a fixed per annum rate equal to zero percent (0%). The entire remaining unpaid Principal shall be due and payable on the 17<sup>th</sup> day of March, 2054 (the "Maturity Date"). In the event this Note is not repaid on the Maturity Date, interest shall commence accruing at such time at a rate of eighteen percent (18%) per annum. The loan is recorded as an accounts receivable in the City's financial statements at September 30, 2019 in the amount of \$200,000.

Also included in the aggregate rental income of \$497,602 is \$42,236 received under the terms of a 5-year lease dated August 1, 2005 (Commencement date) with GTP Towers I, LLC ("Global Tower") who was assigned the lease on May 27, 2008 from Ridan Industries, LLC to construct, maintain, and operate a communication tower on property at the City's Fire Station #2. The lease was renewed with GTP Towers I, LLC ("Global Tower") on August 1, 2010 for an additional five years. On October 1, 2013 American Tower acquired the ownership of GTP Towers I, LLC with no change in the lease agreement. The annual rent initially with the lease was \$30,000 (\$2,500 per month) and commencing with the second (2<sup>nd</sup>) year of the agreement the basic monthly rent shall be adjusted annually upon each anniversary of the commencement date of this agreement, by any change in the index now known as "United States Bureau of Labor Statistics, Consumer Price Index for Urban Consumers".

#### **F. Long-Term Debt**

##### Utility System Revenue Bonds:

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

The 2013A-1 serial bonds are due in annual installments of \$275,000 at October 1, 2019 to \$355,000 due October 1, 2028, interest at 2.00% to 4.00%; 3.375% term bonds in the amount of \$1,950,000 due October 1, 2029 to October 1, 2033 in annual installments of \$365,000 to \$415,000; 3.50% term bonds in the amount of \$1,335,000 due October 1, 2034 to October 1, 2036 in annual installments of \$430,000 to \$460,000.

The 2013A-2 serial bonds are due in annual installments of \$640,000 at October 1, 2019 to \$835,000 due October 1, 2028, interest at 2.00% to 5.00%; 3.375% term bonds in the amount of \$3,680,000 due October 1, 2029 to October 1, 2033 in annual installments of \$670,000 to

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

\$805,000; 5.00% term bonds in the amount of \$1,000,000 due October 1, 2029 to October 1, 2033 in annual installments of \$200,000; 3.50% term bonds in the amount of \$3,240,000 due October 1, 2034 to October 1, 2036 in annual installments of \$1,045,000 to \$1,115,000; 3.625% term bonds in the amount of \$2,600,000 due October 1, 2037 to October 1, 2038 in annual installments of \$1,270,000 to \$1,330,000; 5.00% term bonds in the amount of \$730,000 due October 1, 2037 to October 1, 2038 in annual installments of \$365,000; 3.75% term bonds in the amount of \$7,465,000 due October 1, 2039 to October 1, 2042 in annual installments of \$1,765,000 to \$1,970,000.

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

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

Year Ended September 30 -	Utility System Revenue Bonds					
	2013A-1		2013A-2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 280,000	\$ 196,513	\$ 660,000	\$ 905,050	\$ 940,000	\$ 1,101,563
2021	290,000	185,313	685,000	885,250	975,000	1,070,563
2022	300,000	178,513	695,000	871,550	995,000	1,050,063
2023	310,000	169,138	715,000	846,975	1,025,000	1,016,113
2024	315,000	161,369	745,000	823,431	1,060,000	984,800
2025-2029	1,725,000	666,344	4,055,000	3,771,506	5,780,000	4,437,850
2030-2034	2,015,000	369,638	4,855,000	2,979,975	6,870,000	3,349,613
2035-2039	905,000	47,775	7,290,000	1,974,250	8,195,000	2,022,025
2040-2042	-	-	5,700,000	432,750	5,700,000	432,750
Totals	\$ 6,140,000	\$ 1,974,600	\$ 25,400,000	\$ 13,490,738	\$ 31,540,000	\$ 15,465,338

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

The City has pledged future net revenues of the City of Tarpon Springs, Florida Utility System defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay the \$35,795,000 Utility System Revenue Bonds issued in March 2013. Proceeds from the bonds provided financing for the costs of the design, permitting, acquisition and construction of well sites, pipelines and the reverse osmosis water plant project, funding necessary reserves, and paying all related costs; refunding the City's outstanding Utility System Revenue Bond Anticipation Note, Series 2007A. The bonds are payable solely from the Utility System net revenues and are payable through October 1, 2042. The principal of the Bonds at September 30, 2019 are \$31,540,000, Series 2013A-1 \$6,140,000 and Series 2013A-2 \$25,400,000. Interest paid for the current year and net revenues were Series 2013A-1 \$204,763 and Series 2013A-2 \$924,250 and \$8,071,325 respectively. There was no Interest expense capitalized in Fiscal Year 2019.

Long-term liability activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated absences	\$ 1,313,715	\$ 836,554	\$ (804,039)	\$ 1,346,230	\$ 69,263
Other postemployment benefits	2,006,923	289,313	(93,189)	2,203,047	-
Net pension liability	3,348,511	4,270,195	-	7,618,706	-
Claims payable	174,170	-	(61,736)	112,434	10,141
Governmental activities					
Long-term liabilities	<u>\$ 6,843,319</u>	<u>\$ 5,396,062</u>	<u>\$ (958,964)</u>	<u>\$ 11,280,417</u>	<u>\$ 79,404</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 32,455,000	\$ -	\$ (915,000)	\$ 31,540,000	\$ 940,000
Less deferred amounts:					
For issuance premiums (discounts)	377,892	-	(16,471)	361,421	-
Net utility system revenue bonds	<u>32,832,892</u>	<u>-</u>	<u>(931,471)</u>	<u>31,901,421</u>	<u>940,000</u>
Total bonds and notes payable	<u>32,832,892</u>	<u>-</u>	<u>(931,471)</u>	<u>31,901,421</u>	<u>940,000</u>
Other Liabilities:					
Compensated absences	261,156	277,357	(246,132)	292,381	22,242
Other postemployment benefits	267,642	66,620	(13,565)	320,697	-
Business-type activities					
Long-term liabilities	<u>\$33,361,690</u>	<u>\$ 343,977</u>	<u>\$ (1,191,168)</u>	<u>\$ 32,514,499</u>	<u>\$ 962,242</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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end \$13,891 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities, are generally liquidated by the general fund with \$1,332,339. Also, for governmental activities, net pension liabilities and other post-employment benefits are liquidated by the general fund.

There is no long term debt from Governmental Activities in the Statement of Activities.

#### Note IV - Other Information

##### A. Risk Management

The City is self-insured within certain parameters for losses arising from claims for property and general liability. The City converted to the Florida League of Cities \$25,000 Stop/Loss property and liability self-insurance program on January 1, 1995. The City is responsible for up to a maximum liability of \$478,558 for Fiscal Year 2019. Claims for each occurrence above \$25,000 and above \$478,558 for all occurrences for the fiscal year, along with the related legal fees, are covered by the Florida League of Cities. Settled claims have not exceeded excess coverage in any of the past three years. The unrestricted net position balance of \$1,035,656 is a reserve for unexpected catastrophic events.

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

Expenditures/expenses reported in excess of actual losses is the result of a reasonable provision for anticipated future losses. The claims liability reported at September 30, 2019 is based on the requirements of Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, the liability includes amounts to cover claims incurred but not reported at September 30, 2019.

Changes in the claims liability amounts in Fiscal Years 2019 and 2018 were:

	Self Insurance
Balance at September 30, 2017	\$ 174,313
Current year claims and changes in estimates	97,473
Claim payments	(97,616)
Balance at September 30, 2018	174,170
Current year claims and changes in estimates	86,032
Claim payments	(147,768)
Balance at September 30, 2019	<u>\$ 112,434</u>



## **City of Tarpon Springs, Florida**

### **Notes to the Financial Statements September 30, 2019**

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

#### **B. Deferred Compensation Plan**

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

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

#### **C. Conduit Debt**

From time to time, the City will issue conduit debt to fulfill a public need or purpose. Conduit debt is not reported as liabilities in the financial statements of the City and the City is not obligated in any manner for their repayment. As of September 30, 2019, there were no conduit debt obligations of the City.

#### **D. Landfill Monitoring Costs**

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

On August 24, 2012 a new permit titled "Solid Waste Closure [long-term care] Permit – Landfill" was issued by the Florida Department of Environmental Protection which replaces the previous permit. This extension of the long-term care period was required at the facility for an indefinite period of time until sufficient data has been collected to demonstrate that the site has "stabilized" as defined in Rule 17-701.020(64), F.A.C. The new permit (which expires August 24, 2022) states that financial assurance is no longer required for this facility. The City

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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had expenses of \$11,977 in Fiscal Year 2019 for post-closure monitoring and maintenance at the facility.

#### **E. Commitments and Contingencies**

The following table lists the outstanding encumbrances at September 30, 2019. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

Governmental Activities				
	General Fund	Optional Sales Tax	Non-Major Governmental Funds	Total
Encumbrances Outstanding	\$ 310,917	\$ 1,144,253	\$ 169,242	\$ 1,624,412

Business-Type Activities				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total
Encumbrances Outstanding	\$ 24,909	\$ 1,989,405	\$ 193,387	\$ 2,207,701

General Fund – of the amount above, \$103,343 is for City cameras and \$102,861 for TV Station equipment.

Optional Sales Tax – of the amount noted above, \$197,840 is for Cultural Center Exterior; \$154,971 for Anclote Dredge Turn engineering; \$139,254 is for City cameras; \$130,782 is for Library improvements.

Non-Major Governmental Funds - of the amount noted above, \$83,772 is for Annual Street Paving.

Water and Sewer – of the amount noted above, \$436,436 is for Solar Energy Project; \$201,050 for Generator Upgrades; \$199,135 for Raw Water Wells; \$159,340 for Seabreeze Drive; and \$154,700 for Sewer Slip Lining.

Non-Major Enterprise Funds – of the amount noted above, \$116,824 is for Stormwater Check Valves at Sponge Docks.

During Fiscal Year 2019 and prior fiscal years, the City received revenues and contributions related to grants from Southwest Florida Water Management District, the State of Florida, the federal government and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

The City is a defendant in various legal actions which, in the opinion of management, will not

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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have any significant effect on the financial statements of the City.

A Master Lease Purchase Agreement was approved on April 19, 2019 for the purchase of a fire ladder truck in the amount of \$1,094,792. Upon delivery of the new truck in March 2020 the City will make annual payments beginning on April 1, 2020 for five years in the amount of \$239,599.15 per year.

#### **F. Other Post Employment Benefits (OPEB)**

GASB Statement No. 75, "Accounting and Financial reporting for Postemployment Benefits Other than Pensions", replaces the requirement of GASB No. 45 and established new accounting and reporting requirements for postretirement benefits (OPEB). The standard does not require funding of OPEB expense, but any difference between the amount funded to the plan and the OPEB liability is required to be recorded in the employers financial statements as an increase (or decrease) in the net OPEB liability. The City is a pay as you go plan, there for the full OPEB liability is recorded in the statements.

#### **Plan Description and Funding Policy**

Employees who retire from the City of Tarpon Springs and their dependents are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 290 active employees and 15 retired, inactive employees were participating in the City's health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

#### **Total OPEB Liability**

The measurement date for the City's liability is September 30, 2019, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2018 to September 30, 2019. The components of the City's OPEB liability at September 30, 2019 are as follows:

Total OPEB liability	\$2,523,744
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u><u>\$2,523,744</u></u>

OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%
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## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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*Actuarial Assumptions* – The total OPEB liability at September 30, 2019 was based on the actuarial valuation for the period October 1, 2018 to September 30, 2019. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	2.60%
Discount Rate	3.58%
Healthcare cost trend rate	5.00%

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

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, 2019 was 3.58%. The discount rate used to measure the Total liability at September 30, 2018 was 4.15%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability. The S&P Municipal Bond 20-Year High Grade Rate Index rates were applied for the applicable time periods.

#### Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2018	\$ 2,274,565
Changes for the Year:	
Service cost	155,770
Interest	98,666
Changes in assumptions	101,497
Differences between expected and actual experience	-
Benefit payments	(106,754)
Net Changes	249,179
Balances at September 30, 2019	<u><u>\$ 2,523,744</u></u>

*Sensitivity of the total OPEB Liability to Changes in the Discount Rate* – The following table represents the total OPEB liability, calculated using the discount rate of 3.58%, as well as what the City's total liability would be if it were calculated using a discount rate that is one percentage-point lower (2.58%) or one percentage-point higher (4.58%) than the current discount rate:

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2019**

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$ 2,715,855	\$ 2,523,744	\$ 2,349,308

*Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following table represents the total OPEB liability, calculated using the healthcare cost trend rate of 5%, as well as what the City’s total liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (4%) or one percentage-point higher (6%) than the current discount rate:

	1% Decrease 4.00%	Current Healthcare Cost Trend Rate 5.00%	1% Increase 6.00%
Total OPEB Liability	\$ 2,290,366	\$ 2,523,744	\$ 2,793,177

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended September 30, 2019 the City recognized OPEB expense of \$316,206. At September 30, 2019, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$226,806	-
Changes in assumptions	96,541	-
Total	<u>\$323,347</u>	<u>\$ -</u>

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

Year Ended September 30:

2020	\$ 61,770
2021	61,770
2022	61,770
2023	61,770
2024	61,772
Thereafter	14,495
	<u>\$ 323,347</u>

**G. Employee Pension Plans**

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

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

**Defined Benefit Pension Plans for Firefighters and Police Officers**

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

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

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

**Police Officers Pension Plan**

**Plan Description:**

Plan administration:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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The Board of Trustees is comprised of:

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

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

Plan membership as of October 1, 2018:

Inactive plan members or beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	46
	<u>90</u>

#### Benefits provided:

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

##### Normal Retirement:

Eligibility: Earlier of 1) Age 52 and the completion of 10 years of credited service and assuming 5% rates prior to age 52, or 2) the completion of 25 years of credited service, regardless of age.

Benefit amount: 3% of average monthly earnings times credited service.

Minimum benefit amount: \$450

##### Early Retirement:

Eligibility: Age 45 and the completion of 10 years of credited service.

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

##### Vesting (Termination):

Less than 10 years of credited service: Refund of member contributions without interest.

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

##### Disability:

Service Incurred: Covered from date of employment.

Non-service Incurred: 10 years of credited service.

Service Incurred Benefit: 50% of average monthly earnings.

Non-service Incurred Benefit: Benefit accrued to date of disability but not less than 25% of average monthly earnings.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Death Benefits:

Service Incurred: Spouse receives 100% of average final compensation.

Non-service Incurred:

Vested: Spouse receives 25% of average final compensation.

Non-vested: Refund of member contributions.

#### Benefit Adjustment:

Members retiring (including disability retirees) after October 1, 2000 receive a 2.1% increase in their benefits every fifth year. Effective October 1, 2019, providing the current cost-of-living adjustment (2.1% beginning 5 years after retirement and 2.1% every 5 years thereafter) for the retirees who retired prior to the adoption of this provision.

#### Contributions:

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

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

#### Contribution Rates:

Employee: 8.00%

Premium Tax: 0.85% tax on premiums for applicable insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

#### **Net Pension Liability:**

The measurement date is September 30, 2019.

The measurement period for the pension expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2018 through September 30, 2019.

The sponsor's Net Pension Liability was measured as of September 30, 2019.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

#### Mortality Rate Healthy Inactive Lives:

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

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

#### Mortality Rate Healthy Active Lives:

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

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

#### Mortality Rate 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 most recent actuarial experience study used to review the other significant assumptions was dated August 16, 2016.

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.50%. 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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2019**

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	10%	8.50%
Domestic Fixed Income	35%	2.50%
Cash	5%	0.00%
	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 7.50%.

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2018	\$ 30,878,357	\$ 29,482,364	1,395,993
Changes for a year:			
Service cost	755,760	-	755,760
Interest	2,311,900	-	2,311,900
Change in Excess State Money	-	-	-
Differences between Expected and Actual Experience	686,913	-	686,913
Changes of assumptions	-	-	-
Changes of benefit terms	19,460	-	19,460
Contributions - Employer	-	419,992	(419,992)
Contributions - State	-	262,762	(262,762)
Contributions - Employee	-	285,455	(285,455)
Contributions - Buy Back	10,289	10,289	-
Net Investment Income	-	290,797	(290,797)
Benefit Payments, including Refunds of Employee Contributions	(1,656,476)	(1,656,476)	-
Administrative Expense	-	(57,843)	57,843
Net Changes	<u>2,127,846</u>	<u>(445,024)</u>	<u>2,572,870</u>
Reporting Period Ending September 30, 2019	<u>\$ 33,006,203</u>	<u>\$ 29,037,340</u>	<u>\$ 3,968,863</u>

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension (Asset) Liability	\$ 7,972,690	\$ 3,968,863	\$ 691,845

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plans Fiduciary Net Position is available in a separately issued Plan financial report.

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

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$1,654,793.

On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 612,148	\$ 3,585
Changes of assumptions	165,073	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,050,808	-
Total	<u>\$ 1,828,029</u>	<u>\$ 3,585</u>

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

Year ended September 30:

2020	\$ 636,045
2021	357,047
2022	452,795
2023	378,557
2024	-
Thereafter	-
Total	<u>\$ 1,824,444</u>

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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#### Firefighters Pension Plan

##### Plan Description:

##### Plan administration:

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

The Board of Trustees is comprised of:

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

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

Plan membership as of October 1, 2018:

Inactive plan members or beneficiaries currently receiving benefits	33
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>38</u>
	<u>78</u>

##### Benefits provided:

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

##### Normal Retirement:

##### Eligibility:

Earlier of 1) Age 50 and the completion of 10 years of credited service, or 2) the completion of 25 years of credited service, regardless of age.

Benefit amount: 3% of average final compensation times credited service prior to 10/1/1999, plus 3.25% of average final compensation times credited service after 10/1/1999.

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

##### Vesting (Termination):

Less than 10 years: Refund of member contributions without interest.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

Disability:

Eligibility:

a) 10 years of contributing service for non-service related; coverage from date of hire for service incurred.

b) Total and permanent disability prior to normal retirement date.

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

Pre-Retirement Death Benefits:

Service Incurred: Benefit accrued to date of death but not less than 42% of average final compensation. Benefit payable for 10 years.

Non-service Incurred:

Vested: Benefit accrued to date of death but not less than 25% of average final compensation. Benefit payable for 10 years.

Non-vested: Refund of member contributions.

#### Contributions:

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

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

Contribution Rates:

Employee: 9.45%

Premium Tax: 1.85% tax on premiums for fire insurance policies.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years, but not less than 7% of member salaries

#### **Net Pension Liability:**

The measurement date is September 30, 2019.

The measurement period for the pension expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2018 through September 30, 2019.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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The sponsor's Net Pension Liability was measured as of September 30, 2019.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

#### Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.75%
Investment Rate of Return	7.75%

#### Mortality Rate Healthy Inactive Lives:

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

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

#### Mortality Rate Healthy Active Lives:

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

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

#### Mortality Rate 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 most recent actuarial experience study used to review the other significant assumptions was dated November 15, 2019.

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.50%. 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 geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	53%	7.50%
International Equity	12%	8.50%
Domestic Fixed Income	20%	2.50%
Real Estate	15%	4.50%
	<u>100%</u>	

#### Discount Rate:

The discount rate used to measure the total pension liability was 7.75%.

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2018	\$ 28,805,817	\$ 26,853,299	\$ 1,952,518
Changes for a year:			
Service cost	624,885	-	624,885
Interest	2,260,369	-	2,260,369
Change in excess State money	(68,720)	-	(68,720)
Share plan allocation	34,360	-	34,360
Differences between Expected and Actual Experience	134,039	-	134,039
Changes of assumptions	652,014	-	652,014
Changes of benefit terms	(5,673)	-	(5,673)
Contributions - Employer	-	777,408	(777,408)
Contributions - State	-	217,232	(217,232)
Contributions - Employee	-	255,510	(255,510)
Net Investment Income	-	744,272	(744,272)
Benefit Payments, including Refunds of Employee Contributions	(1,488,093)	(1,488,093)	-
Administrative Expense	-	(60,473)	60,473
Net Changes	<u>2,143,181</u>	<u>445,856</u>	<u>1,697,325</u>
Reporting Period Ending September 30, 2019	<u>\$ 30,948,998</u>	<u>\$ 27,299,155</u>	<u>\$ 3,649,843</u>

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 7,498,689	\$ 3,649,843	\$ 470,531

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plans Fiduciary Net Position is available in a separately issued Plan financial report.

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

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$1,191,980.

On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 300,848	\$ 1,017
Changes of assumptions	521,612	-
Net difference between Projected and Actual Earnings on Pension Plan investments	73,914	-
Total	<u>\$ 896,374</u>	<u>\$ 1,017</u>

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

Year ended September 30:

2020	\$ 82,729
2021	112,289
2022	270,058
2023	430,281
2024	-
Thereafter	-
Total	<u>\$ 895,357</u>



**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2019**

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

**STATEMENT OF NET POSITION - PENSION TRUST FUNDS**

	<b>Police Officers Pension</b>	<b>Firefighters Pension</b>
<b>Assets</b>		
Cash and cash equivalents:		
Short Term Investments	\$ 1,096,900	\$ -
Prepaid Benefits	-	123,346
Money Market	-	557,000
Cash	-	125,366
Total Cash and cash equivalents:	<u>1,096,900</u>	<u>805,712</u>
Receivables:		
From Broker for Investments Sold	-	39,008
Tax Reclaims	-	6,236
Investment Income	60,094	41,694
Total Receivables:	<u>60,094</u>	<u>86,938</u>
Investments:		
U.S. Bonds and Bills	3,832,306	80,503
Federal Agency Guaranteed Securities	359,322	2,179,864
Corporate Bonds	5,040,686	2,297,106
Municipal Obligations	-	10,611
Stocks	15,344,324	17,630,715
Mutual Funds: Equity	3,304,940	-
Pooled/Common/Commingled Funds: Real Estate	-	4,246,022
Total Investments	<u>27,881,578</u>	<u>26,444,821</u>
Total Assets	<u>29,038,572</u>	<u>27,337,471</u>
<b>Liabilities</b>		
Payables:		
Prior Refunds	1,232	-
To Broker for Investments Purchased	-	38,316
Total Liabilities	<u>1,232</u>	<u>38,316</u>
<b>Net Position</b>		
Net Position Restricted for Pensions	<u>\$ 29,037,340</u>	<u>\$ 27,299,155</u>

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2019**

**STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS**

	<b>Police Officers Pension</b>	<b>Firefighters Pension</b>
Additions:		
Contributions:		
Plan members	\$ 285,455	\$ 255,510
Buy-Back	10,289	-
Employer	419,992	777,408
State of Florida	262,762	217,232
Total Contributions	<u>978,498</u>	<u>1,250,150</u>
Investment Income:		
Net increase in fair value of investments	(174,994)	599,186
Interest & Dividends	638,092	268,369
Less Investment Expense (a)	<u>(172,301)</u>	<u>(123,283)</u>
Net Investment Income	<u>290,797</u>	<u>744,272</u>
Total Additions	<u>1,269,295</u>	<u>1,994,422</u>
Deductions:		
Distributions to Members:		
Benefit Payments	1,101,087	1,457,817
Lump Sum DROP Distributions	550,903	30,276
Refunds of Member Contributions	<u>4,486</u>	<u>-</u>
Total Distributions	<u>1,656,476</u>	<u>1,488,093</u>
Administrative Expense	57,843	60,473
Total Deductions	1,714,319	1,548,566
Net Increase in Net Position	(445,024)	445,856
Net Position Restricted for Pensions - Beginning of Year	<u>29,482,364</u>	<u>26,853,299</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 29,037,340</u>	<u>\$ 27,299,155</u>

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

**Defined Contribution Pension Plans**

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

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

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

At September 30, 2019, there were 198 active Plan members, 113 vested and 85 partially vested. The City contributes 8.7% of covered salary beginning after three months of employment and Plan members do not contribute to the Plan but can contribute to the ICMA Deferred Compensation Plan. Plan provisions and contribution requirements are established and may be amended by the BOC. Employer contributions become vested on a graduated basis at the rate of 20% per Plan year with full vesting after five vested years of employment. The total City contributions to the General Employees pension plan during Fiscal Year 2019 were \$851,378.

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

A new Administrative Services Agreement with ICMA-RC was approved on December 16, 2013 (Inception Date) for an initial term beginning on the Inception Date and ending (3) years after the Inception Date. On August 20, 2019 this agreement was renewed for an additional three years and with the option to renew automatically for each succeeding quarter thereafter.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2019

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

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

As of September 30, 2019, the General Employees Pension fund held investments (other than U.S. Government and U.S. Government guaranteed obligations) in the following organizations comprising 5% or more of the net position available for benefits.

<u>Asset Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
JPMorgan SmartRetirement 2020	49,187	\$ 957,679
JPMorgan SmartRetirement 2025	42,756	829,465
JPMorgan SmartRetirement 2030	78,346	1,660,939
JPMorgan SmartRetirement 2035	49,168	1,010,890
MFS Growth Allocation R4	38,362	825,560

#### **H. Subsequent Event**

On December 31, 2019, the first cases of what would become the COVID-19 virus were reported in China. Since then, the virus has spread across the globe and has been declared a global pandemic by the World Health Organization. The City continues to monitor the situation; however, the impact to the City, if any, cannot be determined at this time.

***REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MD&A***

**Pension Schedules - Police Officers and Firefighters Pension Trust Funds**

Schedule of Changes in Net Pension Liability and Related Ratios

Police Officers Pension Trust Fund

Firefighters Pension Trust Fund

Schedule of Contributions and Notes to Schedule

Police Officers Pension Trust Fund

Firefighters Pension Trust Fund

Schedule of Investment Returns

Police Officers and Firefighters

**Other Post-Employment Benefits**

Schedule of Changes in Total Liability

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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:							
Service Cost	\$ 755,760	\$ 667,849	\$ 604,591	\$ 814,107	\$ 792,099	\$ 755,726	\$ 700,395
Interest	2,311,900	2,182,922	2,027,488	1,960,385	1,845,378	1,732,714	1,632,474
Change in Excess State Money	-	(20,737)	12,974	7,763	-	-	-
Changes of Benefit Terms	19,460	528,023	-	-	(119,708)	-	-
Differences between Expected and Actual Experience	686,913	193,927	(14,341)	(727,466)	(319,167)	-	-
Changes of Assumptions	-	-	660,290	541,040	-	-	-
Contributions - Buy Back	10,289	17,148	-	56,848	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Net Change in Total Pension Liability	2,127,846	2,326,592	2,344,157	1,760,744	1,321,484	1,407,588	1,175,056
Total Pension Liability - Beginning	30,878,357	28,551,765	26,207,608	24,446,864	23,125,380	21,717,792	20,542,736
Total Pension Liability - Ending (a)	<u>\$ 33,006,203</u>	<u>\$ 30,878,357</u>	<u>\$ 28,551,765</u>	<u>\$ 26,207,608</u>	<u>\$ 24,446,864</u>	<u>\$ 23,125,380</u>	<u>\$ 21,717,792</u>
Plan Fiduciary Net Position:							
Contributions - Employer	419,992	281,834	241,324	369,399	639,284	590,013	579,733
Contributions - State	262,762	247,970	225,484	220,273	207,813	200,056	198,510
Contributions - Employee	285,455	269,438	251,275	264,978	262,499	259,014	247,826
Contributions - Buy Back	10,289	17,148	-	56,848	-	-	-
Net Investment Income	290,797	2,526,845	2,640,786	1,292,444	(68,190)	2,532,116	2,069,509
Benefit Payments, Including Refunds of Employee Contributions	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Administrative Expense	(57,843)	(46,628)	(56,933)	(52,805)	(36,428)	(27,331)	(32,572)
Net Change in Plan Fiduciary Net Position	(445,024)	2,054,067	2,355,091	1,259,204	127,860	2,473,016	1,905,193
Plan Fiduciary Net Position - Beginning	29,482,364	27,428,297	25,073,206	23,814,002	23,686,142	21,213,126	19,307,933
Plan Fiduciary Net Position - Ending (b)	<u>\$ 29,037,340</u>	<u>\$ 29,482,364</u>	<u>\$ 27,428,297</u>	<u>\$ 25,073,206</u>	<u>\$ 23,814,002</u>	<u>\$ 23,686,142</u>	<u>\$ 21,213,126</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,968,863</u>	<u>\$ 1,395,993</u>	<u>\$ 1,123,468</u>	<u>\$ 1,134,402</u>	<u>\$ 632,862</u>	<u>\$ (560,762)</u>	<u>\$ 504,666</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.98%	95.48%	96.07%	95.67%	97.41%	102.42%	97.68%
Covered Payroll (1)	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Net Pension Liability as a Percentage of Covered Payroll	111.23%	41.45%	35.77%	34.25%	17.83%	-18.21%	17.18%

Notes to Schedule:

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/19, amounts reported as changes of benefit terms resulted from the following Plan change:

Effective October 1, 2019, providing the current cost-of-living adjustment (2.1% beginning 5 years after retirement and 2.1% every 5 years thereafter) for the five retirees who retired prior to the adoption of this provision.

For measurement date 9/30/18, amounts reported as benefit changes resulted from Ordinance 2018-22, adopted and effective September 4, 2018, provided for an increase in the service-incurred pre-retirement death benefit from 50% to 100% of Average Final Compensation.

For measurement date 9/30/15, amounts reported as benefit changes were resulted from Ordinance 2015-05

was adopted which implemented the following Plan changes:

\* Salary for service earned on or after June 20, 2012 was limited to not include more than 300 hours of overtime per calendar year.

\* The Plans definition of Salary was changed to include the lesser of the amount of sick or annual leave time accrued on June 20, 2012 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement.

Changes of assumptions:

For measurement date 09/30/17, as required by Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report.

Additionally, the investment return assumption was lowered from 7.7% to 7.5%.

For measurement date 9/30/16 the following assumption changes were made based on August 16, 2016 experience study:

1. Salary increases changed from a flat 7.0% to one based on Credited Service.
2. Investment return assumption was reduced from 7.9% to 7.7%.
3. Reducing the payroll growth assumption from 1.76% to 0%.
4. Changing the turnover table from an age based table to a service based table.
5. Changing the retirement age assumption from 100% at age 50 with 10 years of Credited Service to age 52 with 10 years of Credited Service and assuming 5% rates prior to age 52. 100% is also assumed upon attainment of 25 years of Credited Service.
6. 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.

Also the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plans investment consultant.

\* Information only available for seven years.

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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:							
Service Cost	\$ 624,885	\$ 502,577	\$ 451,742	\$ 470,186	\$ 433,596	\$ 415,729	\$ 385,291
Interest	2,260,369	2,145,398	2,080,242	1,949,568	1,901,472	1,806,846	1,729,806
Change in excess State money	(68,720)	-	-	-	4,353	-	-
Share Plan Allocation	34,360	-	-	-	-	-	-
Changes of benefit terms	(5,673)	-	-	-	-	-	-
Differences between Expected and Actual Experience	134,039	387,233	(4,067)	226,161	(141,504)	-	-
Changes of Assumptions	652,014	-	-	954,519	-	(41,516)	-
Benefit Payments, Including Refunds of Employee Contributions	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Net Change in Total Pension Liability	2,143,181	1,130,269	924,866	1,347,703	1,207,957	1,168,780	786,665
Total Pension Liability - Beginning	28,805,817	27,675,548	26,750,682	25,402,979	24,195,022	23,026,242	22,239,577
Total Pension Liability - Ending (a)	<u>\$ 30,948,998</u>	<u>\$ 28,805,817</u>	<u>\$ 27,675,548</u>	<u>\$ 26,750,682</u>	<u>\$ 25,402,979</u>	<u>\$ 24,195,022</u>	<u>\$ 23,026,242</u>
Plan Fiduciary Net Position:							
Contributions - Employer	777,408	776,966	560,252	758,808	974,041	782,526	710,690
Contributions - State	217,232	213,788	205,597	223,925	242,782	237,443	235,043
Contributions - Employee	255,510	247,177	201,094	197,641	183,224	162,859	164,853
Net Investment Income	744,272	2,735,006	3,023,816	1,821,061	316,096	1,993,557	2,221,341
Benefit Payments, Including Refunds of Employee Contributions	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Administrative Expense	(60,473)	(55,735)	(56,818)	(39,185)	(66,388)	(46,371)	(42,561)
Net Change in Plan Fiduciary Net Position	445,856	2,012,263	2,330,890	709,519	659,795	2,117,735	1,960,934
Plan Fiduciary Net Position - Beginning	26,853,299	24,841,036	22,510,146	21,800,627	21,140,832	19,023,097	17,062,163
Plan Fiduciary Net Position - Ending (b)	<u>\$ 27,299,155</u>	<u>\$ 26,853,299</u>	<u>\$ 24,841,036</u>	<u>\$ 22,510,146</u>	<u>\$ 21,800,627</u>	<u>\$ 21,140,832</u>	<u>\$ 19,023,097</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,649,843</u>	<u>\$ 1,952,518</u>	<u>\$ 2,834,512</u>	<u>\$ 4,240,536</u>	<u>\$ 3,602,352</u>	<u>\$ 3,054,190</u>	<u>\$ 4,003,145</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.21%	93.22%	89.76%	84.15%	85.82%	87.38%	82.61%
Covered Payroll (1)	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Net Pension Liability as a Percentage of Covered Payroll	134.99%	74.64%	133.20%	202.80%	142.07%	148.02%	191.67%

Notes to Schedule:

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/19, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes.

The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions:

For measurement date 09/30/19, as a result of the Experience Study dated November 15, 2019, the Board approved the following changes to the assumptions:

1. Reduced the Investment return assumption was reduced from 7.9% to 7.75%.
2. Amended the assumed individual salary increases from 7.00% for those with less than 10 years of service and 5.50% with those with 10 or more years of service, to 7.25% for those with less than 10 years of service, 6.00% for those with 10 or more years of service and less than 15 years of service, and 5.50% for those with 15 or more years of service.
3. Amended the assumed retirement rates to include 100% probability upon completion of 25 years of service.
4. Amended the assumed withdrawal rates from an age-based table to 10% per year for the first 5 years of service, and age-based rates after the completion of 5 years of service.
5. Amended the assumed disability rates to remain constant after age 59.

For measurement date 9/30/16 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.

Also the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plans investment consultant.

For measurement date 9/30/14, amounts reported as changes of assumptions were resulted from Ordinance 2015-04, adopted and effective January 27, 2015, provided for limitations on pensionable items of pay related to overtime and cash in of unused sick and annual leave time.

\* Information only available for seven years.

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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 740,756	\$ 514,963	\$ 500,665	\$ 587,919	\$ 722,857	\$ 790,069	\$ 778,243
Contributions in Relation to the							
Actuarially Determined Contributions	682,754	529,804	453,834	581,909	847,097	790,069	778,243
Contribution Deficiency (Excess)	<u>\$ 58,002</u>	<u>\$ (14,841)</u>	<u>\$ 46,831</u>	<u>\$ 6,010</u>	<u>\$ (124,240)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (1)	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Contributions as a Percentage of Covered Payroll	19.13%	15.73%	14.45%	17.57%	23.86%	25.65%	26.49%

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

**Notes to Schedule:**

Valuation Date: 10/1/2017

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:

Funding Method: Entry Age Normal Actuarial Cost Method  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 27 Years (as of 10/01/2017)  
Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a demeris bias that is above or below the Market Value of Assets.

Salary Increases: Salary increases are based on the following table:

Service	Increase rate
0	15.0%
1 to 9	5.0%
10+	4.5%

This assumption was adopted based on the August 16, 2016 actuarial experience. Projected salary in the year of retirement is increased individually based on data provided by the City to account for non-regular compensation.

Interest Rate: 7.5% 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.

Payroll Growth: No payroll growth.

Marriage Rates: 100% of Plan Members are assumed to be married, with husbands 3 years older than their wives.

Retirement Age: 100% at 25 years of credited Service, for those with less than 25 years of Credited Service 100% assumed at the attainment of age 52 with at least 10 years of Credited Service, otherwise the assumption is 5% per year.

Early Retirement: Commencing with the earliest Early Retirement Age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. We believe this assumption is reasonable based on Plan provisions.

Termination Rate: Turnover is based on the following table:

Service	Termination
0 to 4	10.0%
5 to 9	8.5%
10 to 14	6.5%
15+	0.0%

This assumption was adopted based on the August 16, 2016 actuarial experience study.

Disability Rate: Table 1205, see sample rates.

Age	Disability Rate
20	0.14%
30	0.18%
40	0.30%
50	1.00%

75% of Disability Retirements, and 75% of Active Employment Deaths are assumed to be service related. This assumption was developed from those used by other plans containing Florida municipal Police Officers.

Mortality Rate: Healthy Active Lives:

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

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

Healthy Inactive 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 assumptions 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 for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

\* Information only available for seven years.



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

	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 1,039,195	\$ 951,675	\$ 932,405	\$ 945,300	\$ 992,531	\$ 1,019,969	\$ 945,733
Contributions in Relation to the							
Actuarially Determined Contribution	994,640	990,754	765,849	982,733	1,212,470	1,019,969	945,733
Contribution Deficiency (Excess)	<u>\$ 44,555</u>	<u>\$ (39,079)</u>	<u>\$ 166,556</u>	<u>\$ (37,433)</u>	<u>\$ (219,939)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (1)	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Contributions as a Percentage of							
Covered Payroll	36.79%	37.87%	35.99%	47.00%	47.82%	49.43%	45.28%

(1) The Covered Payroll numbers shown are in compliance with GASB 82, except for the 9/30/15 measurement period which includes DROP payroll.

**Notes to Schedule:**

Valuation Date:

10/1/2017

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:

Cost Method:

Entry Age Normal Actuarial Cost Method. Loads: half of year of interest at 7.9% and a full year of salary at 6.33% assumption.

Amortization Method:

Level Percentage of Pay, Closed.

Remaining Amortization Period:

26 Years (as of 10/01/2017 valuation)

Asset Smoothing Methodology:

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.  
7% per year for Members with less than 10 years of service,  
5.5% for those with 10 or more years of service. This assumption is supported by an experience study issued on June 28, 2012. Projected  
Salary at retirement is increased 20% before 10/1/2000, 10% 10/1/2000 - 9/30/11, 0.0% on and after 10/1/11. This is based on the expected amount of sick or annual leave time accrued at retirement.

Salary Increases:

Interest Rate:

7.9% 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.

Payroll Increase:

.20% per year for amortization of the Unfunded Actuarial Accrued Liability. This assumption is consistent with the state-mandated limitation.

Cost of Living Increase:

2% per year beginning on the October 1 following 5 years of payments, as defined by the plan provisions.

Normal Retirement Rates:

Number of Years after First

Eligibility for Normal Retirement

Probability of Retirement

0

50%

1 or more

100%

Termination Rate:

This assumption is supported by an experience study issued on June 28, 2012. See table below. This assumption is supported by an experience study issued on June 28, 2012.

Disability Rate:

See table below. 75% of Disability and Pre-Retirement Death Retirements are assumed to be service-incurred. This assumption is supported by an experience study issued on June 28, 2012.

Mortality Rate:

Healthy Active Lives:

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

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

Healthy Inactive 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 assumptions 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 for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Termination and Disability Rate Table.

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	8.0%	0.14%
30	6.0%	0.18%
40	4.0%	0.30%
50	0.0%	1.00%

\* Information only available for seven years.

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

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**Police Officers Pension Trust Fund**  
**Schedule of Investment Returns**

	Fiscal Year						
	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return net of investment expense	0.99%	9.28%	10.62%	5.44%	-0.29%	11.89%	10.70%

**Firefighters Pension Trust Fund**  
**Schedule of Investment Returns**

	Fiscal Year						
	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return net of investment expense	2.80%	11.29%	13.66%	8.52%	1.49%	10.43%	13.04%

**Notes to Schedule:**

This information is required for ten years. However, only seven years of information is available.

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

	9/30/2019	9/30/2018
Total OPEB Liability:		
Service Cost	\$ 155,770	\$ 128,874
Interest	98,666	69,877
Differences between Expected and Actual Experience	-	317,530
Changes in Assumptions	101,497	13,362
Benefit Payments	(106,754)	(101,479)
Net Change in Total OPEB Liability	249,179	428,164
Total OPEB Liability - Beginning	2,274,565	1,846,401
Total OPEB Liability - Ending	<u>\$ 2,523,744</u>	<u>\$ 2,274,565</u>
Covered Employee Payroll	\$ 15,758,601	\$ 15,359,260
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.0%	14.8%

Notes to Schedule:

Plan Assets:

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

Other Items:

\* This information is required for ten years. However, only two years of information is available.

# ***COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES***

## **Non-Major Governmental Funds**

### **Special Revenue Funds:**

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

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

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

Grants Fund - This fund is used to account for the receipt and disbursement of State and Federal Grants of the Governmental Funds which are legally restricted by the purpose of the grant.

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

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

### **Capital Projects Funds:**

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

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

Capital Investment Fund - This fund was established by City Charter for funding street, drainage and sidewalk improvements. Interest earnings over the \$2,000,000 principal balance are to be used only for this purpose.

## **Major Governmental Fund**

### **Capital Projects Fund:**

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

**CITY OF TARPON SPRINGS, FLORIDA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 137,247	\$ 1,666,370	\$ 72,589	\$ 199,751	\$ 520,042	\$ 2,595,999
Investments	-	-	-	-	-	-
Due from other governments	57,990	-	37,046	-	-	95,036
Prepaid items	-	-	2,072	-	-	2,072
Total Assets	<u>\$ 195,237</u>	<u>\$ 1,666,370</u>	<u>\$ 111,707</u>	<u>\$ 199,751</u>	<u>\$ 520,042</u>	<u>\$ 2,693,107</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 92,801	\$ 5,181	\$ 9,223	\$ 636	\$ 107,841
Accrued liabilities	-	-	3,464	-	-	3,464
Advance from other funds	-	233,149	-	-	-	233,149
Deposits	-	414,606	-	-	-	414,606
Total Liabilities	<u>-</u>	<u>740,556</u>	<u>8,645</u>	<u>9,223</u>	<u>636</u>	<u>759,060</u>
Fund Balances:						
Nonspendable:						
Prepaid items	-	-	2,072	-	-	2,072
Street and sidewalk per Charter, nonexpendable	-	-	-	-	-	-
Restricted for:						
Transportation	195,237	-	-	-	-	195,237
Capital projects - impact fee programs	-	925,814	-	-	-	925,814
Law enforcement programs	-	-	-	190,528	-	190,528
Grant programs	-	-	6,903	-	-	6,903
Public art program	-	-	-	-	279,769	279,769
Land Preservation	-	-	-	-	48,586	48,586
Physical environment	-	-	94,087	-	-	94,087
Committed to:						
Employee benefit cost deferral	-	-	-	-	191,051	191,051
Total Fund Balances	<u>195,237</u>	<u>925,814</u>	<u>103,062</u>	<u>190,528</u>	<u>519,406</u>	<u>1,934,047</u>
Total Liabilities and Fund Balances	<u>\$ 195,237</u>	<u>\$ 1,666,370</u>	<u>\$ 111,707</u>	<u>\$ 199,751</u>	<u>\$ 520,042</u>	<u>\$ 2,693,107</u>

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Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ 258,819	\$ 38,389	\$ 297,208	\$ 2,893,207
-	1,999,655	1,999,655	1,999,655
-	-	-	95,036
-	-	-	2,072
<u>\$ 258,819</u>	<u>\$ 2,038,044</u>	<u>\$ 2,296,863</u>	<u>\$ 4,989,970</u>

\$ 21,395	\$ -	\$ 21,395	\$ 129,236
-	-	-	3,464
-	-	-	233,149
-	-	-	414,606
<u>21,395</u>	<u>-</u>	<u>21,395</u>	<u>780,455</u>

-	-	-	2,072
-	2,000,000	2,000,000	2,000,000
237,424	38,044	275,468	470,705
-	-	-	925,814
-	-	-	190,528
-	-	-	6,903
-	-	-	279,769
-	-	-	48,586
-	-	-	94,087
-	-	-	191,051
<u>237,424</u>	<u>2,038,044</u>	<u>2,275,468</u>	<u>4,209,515</u>
<u>\$ 258,819</u>	<u>\$ 2,038,044</u>	<u>\$ 2,296,863</u>	<u>\$ 4,989,970</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
Revenues:						
Taxes	\$ 339,385	\$ -	\$ -	\$ -	\$ -	\$ 339,385
Permits and fees	-	243,674	-	-	-	243,674
Intergovernmental	-	-	286,693	33,698	-	320,391
Charges for services	-	-	-	-	68	68
Fines and forfeitures	-	-	-	14,857	-	14,857
Other	3,957	31,228	1,968	4,532	43,571	85,256
Total Revenues	<u>343,342</u>	<u>274,902</u>	<u>288,661</u>	<u>53,087</u>	<u>43,639</u>	<u>1,003,631</u>
Expenditures:						
Current:						
Public Safety:						
Police	-	-	-	69,301	-	69,301
Fire	-	-	371,005	-	-	371,005
Physical Environment:						
Other	-	-	8,881	-	-	8,881
Culture and Recreation:						
Other	-	-	13,050	-	5,981	19,031
Capital Outlay	-	486,817	4,668	51,733	62,747	605,965
Total Expenditures	<u>-</u>	<u>486,817</u>	<u>397,604</u>	<u>121,034</u>	<u>68,728</u>	<u>1,074,183</u>
Excess of Revenues Over (Under) Expenditures	<u>343,342</u>	<u>(211,915)</u>	<u>(108,943)</u>	<u>(67,947)</u>	<u>(25,089)</u>	<u>(70,552)</u>
Other Financing Sources (Uses):						
Transfers in	-	-	113,412	-	-	113,412
Transfers out	(350,000)	-	-	-	(72,434)	(422,434)
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>113,412</u>	<u>-</u>	<u>(72,434)</u>	<u>(309,022)</u>
Net Change in Fund Balances	(6,658)	(211,915)	4,469	(67,947)	(97,523)	(379,574)
Fund Balances - Beginning of Year	<u>201,895</u>	<u>1,137,729</u>	<u>98,593</u>	<u>258,475</u>	<u>616,929</u>	<u>2,313,621</u>
Fund Balances - End of Year	<u>\$ 195,237</u>	<u>\$ 925,814</u>	<u>\$ 103,062</u>	<u>\$ 190,528</u>	<u>\$ 519,406</u>	<u>\$ 1,934,047</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ -	\$ -	\$ -	\$ 339,385
-	-	-	243,674
-	-	-	320,391
-	-	-	68
-	-	-	14,857
5,025	62,295	67,320	152,576
5,025	62,295	67,320	1,070,951
-	-	-	69,301
-	-	-	371,005
-	-	-	8,881
-	-	-	19,031
278,535	-	278,535	884,500
278,535	-	278,535	1,352,718
(273,510)	62,295	(211,215)	(281,767)
180,000	-	180,000	293,412
-	(30,000)	(30,000)	(452,434)
180,000	(30,000)	150,000	(159,022)
(93,510)	32,295	(61,215)	(440,789)
330,934	2,005,749	2,336,683	4,650,304
\$ 237,424	\$ 2,038,044	\$ 2,275,468	\$ 4,209,515



**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**LOCAL OPTION GAS TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 323,610	\$ 323,610	\$ 339,385	\$ 15,775
Other	750	750	3,957	3,207
Total Revenues	<u>324,360</u>	<u>324,360</u>	<u>343,342</u>	<u>18,982</u>
Other Financing Uses:				
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balances	(25,640)	(25,640)	(6,658)	18,982
Fund Balances - Beginning of Year	<u>201,895</u>	<u>201,895</u>	<u>201,895</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 176,255</u>	<u>\$ 176,255</u>	<u>\$ 195,237</u>	<u>\$ 18,982</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**IMPACT FEES FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 231,401	\$ 231,401	\$ 243,674	\$ 12,273
Other	378	378	31,228	30,850
Total Revenues	231,779	231,779	274,902	43,123
Expenditures:				
Capital Outlay	420,797	953,395	486,817	466,578
Total Expenditures	420,797	953,395	486,817	466,578
Net Change in Fund Balances	(189,018)	(721,616)	(211,915)	509,701
Fund Balances - Beginning of Year	1,137,729	1,137,729	1,137,729	-
Fund Balances - End of Year	\$ 948,711	\$ 416,113	\$ 925,814	\$ 509,701

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GRANTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 333,830	\$ 333,830	\$ 286,693	\$ (47,137)
Other	-	-	1,968	1,968
Total Revenues	<u>333,830</u>	<u>333,830</u>	<u>288,661</u>	<u>(45,169)</u>
Expenditures:				
Current:				
Public Safety:				
Fire	380,800	380,800	371,005	9,795
Physical Environment:				
Other	55,100	50,432	8,881	41,551
Culture/Recreation:				
Other	<u>35,000</u>	<u>35,000</u>	<u>13,050</u>	<u>21,950</u>
Capital Outlay	<u>-</u>	<u>4,668</u>	<u>4,668</u>	<u>-</u>
Total Expenditures	<u>470,900</u>	<u>470,900</u>	<u>397,604</u>	<u>73,296</u>
Excess of Revenues Over (Under) Expenditures	<u>(137,070)</u>	<u>(137,070)</u>	<u>(108,943)</u>	<u>28,127</u>
Other Financing Sources:				
Transfers in	<u>99,970</u>	<u>99,970</u>	<u>113,412</u>	<u>13,442</u>
Total Other Financing Sources	<u>99,970</u>	<u>99,970</u>	<u>113,412</u>	<u>13,442</u>
Net Change in Fund Balances	(37,100)	(37,100)	4,469	41,569
Fund Balances - Beginning of Year	<u>98,593</u>	<u>98,593</u>	<u>98,593</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 61,493</u>	<u>\$ 61,493</u>	<u>\$ 103,062</u>	<u>\$ 41,569</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**LAW ENFORCEMENT PROGRAMS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 33,698	\$ (26,302)
Fines and forfeitures	10,400	10,400	14,857	4,457
Other	-	-	4,532	4,532
Total Revenues	<u>70,400</u>	<u>70,400</u>	<u>53,087</u>	<u>(17,313)</u>
Expenditures:				
Current:				
Public Safety:				
Police	100,281	103,607	69,301	34,306
Capital Outlay	10,000	51,997	51,733	264
Total Expenditures	<u>110,281</u>	<u>155,604</u>	<u>121,034</u>	<u>34,570</u>
Net Change in Fund Balances	(39,881)	(85,204)	(67,947)	17,257
Fund Balances - Beginning of Year	<u>258,475</u>	<u>258,475</u>	<u>258,475</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 218,594</u>	<u>\$ 173,271</u>	<u>\$ 190,528</u>	<u>\$ 17,257</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL PROGRAMS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ -	\$ 68	\$ 68
Other	-	-	43,571	43,571
Total Revenues	-	-	43,639	43,639
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	9,800	9,800	5,981	3,819
Capital Outlay	159,200	164,350	62,747	101,603
Total Expenditures	189,000	194,150	68,728	125,422
Excess of Revenues Over (Under) Expenditures	(189,000)	(194,150)	(25,089)	169,061
Other Financing Uses:				
Transfers out	(72,434)	(72,434)	(72,434)	-
Total Other Financing Uses	(72,434)	(72,434)	(72,434)	-
Net Change in Fund Balances	(261,434)	(266,584)	(97,523)	169,061
Fund Balances - Beginning of Year	616,929	616,929	616,929	-
Fund Balances - End of Year	\$ 355,495	\$ 350,345	\$ 519,406	\$ 169,061

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 475	\$ 475	\$ 5,025	\$ 4,550
Total Revenues	<u>475</u>	<u>475</u>	<u>5,025</u>	<u>4,550</u>
Expenditures:				
Capital Outlay	<u>200,000</u>	<u>414,909</u>	<u>278,535</u>	<u>136,374</u>
Total Expenditures	<u>200,000</u>	<u>414,909</u>	<u>278,535</u>	<u>136,374</u>
Excess of Revenues Over (Under) Expenditures	<u>(199,525)</u>	<u>(414,434)</u>	<u>(273,510)</u>	<u>140,924</u>
Other Financing Sources:				
Transfers in	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Total Other Financing Sources	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balances	(19,525)	(234,434)	(93,510)	140,924
Fund Balances - Beginning of Year	<u>330,934</u>	<u>330,934</u>	<u>330,934</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 311,409</u>	<u>\$ 96,500</u>	<u>\$ 237,424</u>	<u>\$ 140,924</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL INVESTMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 20,000	\$ 20,000	\$ 62,295	\$ 42,295
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>62,295</u>	<u>42,295</u>
Other Financing Uses:				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Fund Balances	(10,000)	(10,000)	32,295	42,295
Fund Balances - Beginning of Year	<u>2,005,749</u>	<u>2,005,749</u>	<u>2,005,749</u>	<u>-</u>
Fund Balances - End of Year	\$ <u>1,995,749</u>	\$ <u>1,995,749</u>	\$ <u>2,038,044</u>	\$ <u>42,295</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**OPTIONAL SALES TAX FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,410,000	\$ 2,478,000	\$ 2,578,454	\$ 100,454
Intergovernmental	-	676,046	137,981	(538,065)
Charges for Services	-	-	5,341	5,341
Other	6,977	35,777	70,261	34,484
Total Revenues	2,416,977	3,189,823	2,792,037	(397,786)
Expenditures:				
Capital Outlay	2,441,977	6,963,781	3,690,641	3,273,140
Total Expenditures	2,441,977	6,963,781	3,690,641	3,273,140
Net Change in Fund Balances	(25,000)	(3,773,958)	(898,604)	2,875,354
Fund Balances - Beginning of Year	3,810,447	3,810,447	3,810,447	-
Fund Balances - End of Year	\$ 3,785,447	\$ 36,489	\$ 2,911,843	\$ 2,875,354



## ***Enterprise Funds***

### **Non-Major Enterprise Funds**

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

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

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

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**

	Storm Water	Marina	Golf Course	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 390,900	\$ -	\$ -	\$ 390,900
Investments	611,225	-	-	611,225
Receivables:				
Interest	10,244	-	-	10,244
Accounts - billed (net)	104,767	170	-	104,937
Accounts - unbilled	58,038	-	-	58,038
Due from other governments	3,520	-	806	4,326
Inventories	-	-	21,813	21,813
Prepaid items	4,847	1,529	11,021	17,397
Total Current Assets	<u>1,183,541</u>	<u>1,699</u>	<u>33,640</u>	<u>1,218,880</u>
Non-Current Assets:				
Capital Assets:				
Land and land rights	419,766	400	51,356	471,522
Buildings and improvements	10,647	25,388	474,690	510,725
Improvements other than buildings	4,694,192	631,849	1,313,587	6,639,628
Machinery and equipment	2,218,659	-	53,184	2,271,843
Accumulated depreciation	(2,622,173)	(581,296)	(1,064,046)	(4,267,515)
Construction in progress	293,993	-	-	293,993
Total Non-Current Assets	<u>5,015,084</u>	<u>76,341</u>	<u>828,771</u>	<u>5,920,196</u>
Total Assets	<u>6,198,625</u>	<u>78,040</u>	<u>862,411</u>	<u>7,139,076</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to OPEB.	3,549	-	3,064	6,613
Total Deferred Outflows of Resources	<u>3,549</u>	<u>-</u>	<u>3,064</u>	<u>6,613</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	56,771	680	54,342	111,793
Accrued liabilities	5,320	557	4,160	10,037
Due to other fund (deficit in pooled cash)	-	18,309	1,150,684	1,168,993
Advance from other fund	-	-	176,309	176,309
Customer deposits	-	2,091	-	2,091
Compensated absences	1,617	-	537	2,154
Unearned revenue	-	-	19,964	19,964
Total Current Liabilities	<u>63,708</u>	<u>21,637</u>	<u>1,405,996</u>	<u>1,491,341</u>
Non-Current Liabilities:				
Other postemployment benefits	27,701	-	23,921	51,622
Compensated absences	8,717	1,586	21,165	31,468
Total Non-Current Liabilities	<u>36,418</u>	<u>1,586</u>	<u>45,086</u>	<u>83,090</u>
Total Liabilities	<u>100,126</u>	<u>23,223</u>	<u>1,451,082</u>	<u>1,574,431</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,015,084	76,341	828,770	5,920,195
Restricted:				
Other contractual obligations	4,847	1,529	32,834	39,210
Unrestricted (deficit)	1,082,117	(23,053)	(1,447,211)	(388,147)
Total Net Position	<u>\$ 6,102,048</u>	<u>\$ 54,817</u>	<u>\$ (585,607)</u>	<u>\$ 5,571,258</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,603,313	\$ 52,903	\$ 1,155,689	\$ 2,811,905
Other	11,674	100	135,359	147,133
Total Operating Revenues	1,614,987	53,003	1,291,048	2,959,038
Operating Expenses:				
Personnel services	515,935	61,867	395,166	972,968
Contractual services	325,383	25,103	771,143	1,121,629
Supplies	99,621	3,303	127,038	229,962
Repairs and maintenance	77,658	1,099	10,227	88,984
Utilities	10,729	15,227	43,850	69,806
Depreciation	332,578	16,458	66,990	416,026
Total Operating Expenses	1,361,904	123,057	1,414,414	2,899,375
Operating Income (Loss)	253,083	(70,054)	(123,366)	59,663
Non-Operating Revenues (Expenses):				
Investment income	31,276	392	-	31,668
Net change in fair value of investments	10,693	-	-	10,693
Intergovernmental - operating grants	11,759	-	806	12,565
Other	(992)	-	-	(992)
Total Non-Operating Revenues	52,736	392	806	53,934
Income (Loss) before Transfers	305,819	(69,662)	(122,560)	113,597
Transfers out	(106,120)	-	(62,887)	(169,007)
Change in Net Position	199,699	(69,662)	(185,447)	(55,410)
Net Position - Beginning of Year	5,902,349	124,479	(400,160)	5,626,668
Net Position - End of Year	\$ 6,102,048	\$ 54,817	\$ (585,607)	\$ 5,571,258

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,604,511	\$ 53,643	\$ 1,292,841	\$ 2,950,995
Cash payments to suppliers	(595,733)	(45,123)	(958,739)	(1,599,595)
Cash payments to employees	(510,729)	(61,591)	(387,928)	(960,248)
Other	(992)	-	-	(992)
Net cash provided (used) by operating activities	<u>497,057</u>	<u>(53,071)</u>	<u>(53,826)</u>	<u>390,160</u>
Cash flows from noncapital financing activities:				
Transfers out	(106,120)	-	(62,887)	(169,007)
Intergovernmental - operating grants	11,759	-	806	12,565
Advance from other fund	-	-	(33,255)	(33,255)
Payment of cash on loans to/from other funds	-	18,309	168,280	186,589
Net cash provided (used) by noncapital financing activities	<u>(94,361)</u>	<u>18,309</u>	<u>72,944</u>	<u>(3,108)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	<u>(413,612)</u>	<u>-</u>	<u>(19,118)</u>	<u>(432,730)</u>
Net cash used for capital and related financing activities	<u>(413,612)</u>	<u>-</u>	<u>(19,118)</u>	<u>(432,730)</u>
Cash flows from investing activities:				
Interest on investments	31,276	392	-	31,668
Proceeds of investment sales & maturities	265,982	-	-	265,982
Purchase of investments	<u>(110,258)</u>	<u>-</u>	<u>-</u>	<u>(110,258)</u>
Net cash provided by investing activities	<u>187,000</u>	<u>392</u>	<u>-</u>	<u>187,392</u>
Net increase (decrease) in cash and cash equivalents	176,084	(34,370)	-	141,714
Cash and cash equivalents at beginning of year	<u>214,816</u>	<u>34,370</u>	<u>-</u>	<u>249,186</u>
Cash and cash equivalents at end of year	<u>\$ 390,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,900</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	<u>\$ 390,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,900</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 253,083	\$ (70,054)	\$ (123,366)	\$ 59,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	(992)	-	-	(992)
Depreciation expense	332,578	16,458	66,990	416,026
Change in assets and liabilities:				
(Increase) decrease in accounts receivable - interest	(5,182)	640	-	(4,542)
Increase in accounts receivable - billed (net)	(1,156)	-	-	(1,156)
Increase in unbilled accounts receivable	(618)	-	-	(618)
Increase in due from other governments	(3,520)	-	(806)	(4,326)
Increase in inventories	-	-	(2,971)	(2,971)
(Increase) decrease in prepaid items	170	(62)	(482)	(374)
Increase in deferred outflow-OPEB	(592)	-	(659)	(1,251)
Increase (decrease) in accounts and contracts payable	(82,512)	80	(3,028)	(85,460)
Increase in accrued liabilities	2,223	201	1,367	3,791
Increase in unavailable revenue	-	-	2,599	2,599
Decrease in customer deposits	-	(409)	-	(409)
Increase in other postemployment benefits	3,987	-	4,631	8,618
Increase (decrease) in compensated absences	(412)	75	1,899	1,562
Total adjustments	<u>243,974</u>	<u>16,983</u>	<u>69,540</u>	<u>330,497</u>
Net cash provided (used) by operating activities	<u>\$ 497,057</u>	<u>\$ (53,071)</u>	<u>\$ (53,826)</u>	<u>\$ 390,160</u>

## ***Internal Service Funds***

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

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

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2019**

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 36,896	\$ 140,783	\$ 177,679
Investments	-	1,000,821	1,000,821
Accounts receivable - interest	-	9,725	9,725
Advance to other fund	-	153,783	153,783
Due from other governments	74	-	74
Inventories	35,894	-	35,894
Prepaid items	3,026	2,740	5,766
Total Current Assets	75,890	1,307,852	1,383,742
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	332,450	190,024	522,474
Machinery and equipment	92,710	32,921	125,631
Accumulated depreciation	(315,572)	(69,448)	(385,020)
Total Non-Current Assets	154,344	153,497	307,841
Total Assets	230,234	1,461,349	1,691,583
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to OPEB.	2,541	-	2,541
Total Deferred Outflows of Resources	2,541	-	2,541
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	6,833	3,239	10,072
Accrued liabilities	2,679	-	2,679
Claims payable	-	10,141	10,141
Compensated absences	2,841	-	2,841
Total Current Liabilities	12,353	13,380	25,733
Non-Current Liabilities:			
Claims payable	-	102,293	102,293
Other postemployment benefits	19,832	-	19,832
Compensated absences	11,050	-	11,050
Total Non-Current Liabilities	30,882	102,293	133,175
Total Liabilities	43,235	115,673	158,908
<b>NET POSITION</b>			
Net investment in capital assets	154,344	153,497	307,841
Restricted for:			
Other contractual obligations	38,920	156,523	195,443
Unrestricted	(3,724)	1,035,656	1,031,932
Total Net Position	\$ 189,540	\$ 1,345,676	\$ 1,535,216

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,067,434	\$ 652,646	\$ 1,720,080
Total Operating Revenues	1,067,434	652,646	1,720,080
Operating Expenses:			
Personnel services	339,622	-	339,622
Contractual services	9,319	41,785	51,104
Supplies	422,178	1,817	423,995
Repairs and maintenance	314,328	-	314,328
Utilities	1,094	-	1,094
Claims	-	86,032	86,032
Insurance	-	663,731	663,731
Depreciation	33,763	13,629	47,392
Total Operating Expenses	1,120,304	806,994	1,927,298
Operating Loss	(52,870)	(154,348)	(207,218)
Non-Operating Revenues:			
Investment income	-	32,179	32,179
Net change in fair value of investments	-	16,645	16,645
Intergovernmental - operating grants	1,074	-	1,074
Total Non-Operating Revenues	1,074	48,824	49,898
Change in Net Position	(51,796)	(105,524)	(157,320)
Net Position - Beginning of Year	241,336	1,451,200	1,692,536
Net Position - End of Year	\$ 189,540	\$ 1,345,676	\$ 1,535,216



**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,067,360	\$ 647,783	\$ 1,715,143
Cash payments to suppliers	(737,142)	(857,742)	(1,594,884)
Cash payments to employees	(331,130)	-	(331,130)
Net cash used by operating activities	(912)	(209,959)	(210,871)
Cash flows from noncapital financing activities:			
Intergovernmental - Operating Grants	1,074	-	1,074
Advance to other fund	-	98,394	98,394
Net cash provided by noncapital financing activities	1,074	98,394	99,468
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,699)	-	(1,699)
Net cash used by capital and related financing activities	(1,699)	-	(1,699)
Cash flows from investing activities:			
Interest on investments	-	32,179	32,179
Net cash provided by investing activities	-	32,179	32,179
Net decrease in cash and cash equivalents	(1,537)	(79,386)	(80,923)
Cash and cash equivalents at beginning of year	38,433	220,169	258,602
Cash and cash equivalents at end of year	\$ 36,896	\$ 140,783	\$ 177,679
Cash and cash equivalents classified as:			
Cash and cash equivalents	\$ 36,896	\$ 140,783	\$ 177,679
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (52,870)	\$ (154,348)	\$ (207,218)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	33,763	13,629	47,392
Change in assets and liabilities:			
Increase in accounts receivable-interest	-	(4,863)	(4,863)
Decrease in inventories	6,312	-	6,312
(Increase) decrease in prepaid items	75	(626)	(551)
Increase in due from other governments	(74)	-	(74)
Increase in deferred outflow-OPEB	(614)	-	(614)
Increase (decrease) in accounts and contracts payable	3,390	(2,015)	1,375
Increase in accrued liabilities	472	-	472
Decrease in claims payable	-	(61,736)	(61,736)
Increase in other postemployment benefits	4,375	-	4,375
Increase in compensated absences	4,259	-	4,259
Total adjustments	51,958	(55,611)	(3,653)
Net cash used by operating activities	\$ (912)	\$ (209,959)	\$ (210,871)

## ***Fiduciary Funds***

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

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

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

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2019**

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 1,096,900	\$ 682,365	\$ -	\$ 1,779,265
Accounts receivable	-	45,244	-	45,244
Interest receivable	60,094	41,694	-	101,788
Investments, at fair value:				
U.S. Government Securities	4,191,628	2,270,978	-	6,462,606
Equities Common Stock	18,649,264	17,630,715	-	36,279,979
Mutual Funds	-	-	11,204,193	11,204,193
Corporate Bonds	5,040,686	2,297,106	-	7,337,792
Real Estate	-	4,246,020	-	4,246,020
Total Investments	<u>27,881,578</u>	<u>26,444,819</u>	<u>11,204,193</u>	<u>65,530,590</u>
Total Assets	<u>29,038,572</u>	<u>27,214,122</u>	<u>11,204,193</u>	<u>67,456,887</u>
<b>Liabilities</b>				
Accounts payable	-	38,316	57	38,373
Total Liabilities	<u>-</u>	<u>38,316</u>	<u>57</u>	<u>38,373</u>
<b>Net Position</b>				
Restricted for Pension Benefits	\$ <u>29,038,572</u>	\$ <u>27,175,806</u>	\$ <u>11,204,136</u>	\$ <u>67,418,514</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
Additions:				
Contributions:				
Employer	\$ 419,990	\$ 777,408	\$ 851,378	\$ 2,048,776
Plan members	295,744	255,510	5,417	556,671
State of Florida	262,762	217,232	-	479,994
Total Contributions	978,496	1,250,150	856,795	3,085,441
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	(177,057)	164,128	(56,815)	(69,744)
Interest	299,584	427,725	536,351	1,263,660
Dividends	342,521	329,304	-	671,825
	465,048	921,157	479,536	1,865,741
Less Investment Expenses:				
Investment management fees	158,111	109,770	-	267,881
	158,111	109,770	-	267,881
Net Investment Income	306,937	811,387	479,536	1,597,860
Total Additions	1,285,433	2,061,537	1,336,331	4,683,301
Deductions:				
Benefits	1,103,036	1,489,745	496,852	3,089,633
Refunds of contributions	555,389	-	-	555,389
Administrative expense	72,033	129,591	64,052	265,676
Total Deductions	1,730,458	1,619,336	560,904	3,910,698
Change in Net Position	(445,025)	442,201	775,427	772,603
Net Position - Beginning of Year	29,483,597	26,733,605	10,428,709	66,645,911
Net Position - End of Year	\$ 29,038,572	\$ 27,175,806	\$ 11,204,136	\$ 67,418,514

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

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

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

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**EMERGENCY MEDICAL SERVICES DISTRICT FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,501,957	\$ 1,501,957	\$ -
Total Revenue	1,501,957	1,501,957	-
Expenditures:			
Salaries and Benefits	1,376,809	1,357,272	19,537
Operating Expenditures	125,148	164,846	(39,698)
Total Expenditures	1,501,957	1,522,118	(20,161)
Deficiency of Revenues Under Expenditures	\$ -	\$ (20,161)	\$ (20,161)
1 EMS Funding FY 18-19 Received by Contractor		\$ 1,501,957	
2 EMS Allowable Costs Incurred by Contractor		1,522,118	
3 Difference (If Excess Revenues) Due to Pinellas County		<u>(20,161)</u>	

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE DISTRICT FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>General Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,542,269	\$ 3,463,945	\$ (78,324)
Tarpon Springs Fire District Funds	360,000	424,976	64,976
Total Revenues	<u>3,902,269</u>	<u>3,888,921</u>	<u>(13,348)</u>
Expenditures:			
Salaries and Benefits	3,145,045	3,178,019	(32,974)
Operating Expenditures	718,712	672,391	46,321
Capital Outlay	38,512	38,511	1
Total Expenditures	<u>3,902,269</u>	<u>3,888,921</u>	<u>13,348</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Revenue Fund - Fire Impacts</b>			
Revenues:			
Fire Impact Fees	\$ 38,400	\$ 26,944	\$ (11,456)
Interest	50	2,222	2,172
Total Revenues	<u>38,450</u>	<u>29,166</u>	<u>(9,284)</u>
Expenditures:			
Capital Outlay	<u>38,450</u>	<u>-</u>	<u>38,450</u>
Total Expenditures	<u>38,450</u>	<u>-</u>	<u>38,450</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 29,166</u>	<u>\$ 29,166</u>
<b>Capital Project Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 796,820	\$ 619,779	\$ (177,041)
Tarpon Springs Fire District Funds	-	5,341	5,341
Total Revenues	<u>796,820</u>	<u>625,120</u>	<u>(171,700)</u>
Expenditures:			
Capital Outlay	<u>796,820</u>	<u>625,120</u>	<u>171,700</u>
Total Expenditures	<u>796,820</u>	<u>625,120</u>	<u>171,700</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grand Total</b>			
Total Revenues	<u>\$ 4,737,539</u>	<u>\$ 4,543,207</u>	<u>\$ (194,332)</u>
Total Expenditures	<u>4,737,539</u>	<u>4,514,041</u>	<u>223,498</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 29,166</u>	<u>\$ 29,166</u>

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

1	Total Expenditures by Contractor	\$ 4,514,041
2	Less: Other Revenues Received by Contractor	-
3	Total Outlay by Contractor	<u>4,514,041</u>
4	Pinellas County Percentage of District	9.62%
5	Total Pinellas County Share (3 times 4)	<u>434,251</u>
6	Pinellas County Paid to Contractor	
	Fire District Funding FY 2019	<u>430,317</u>
	Total Pinellas County Paid to Contractor	<u>430,317</u>
7	Total Due to Pinellas County (6 less 5), if negative none due	<u>\$ (3,934)</u>

## ***STATISTICAL SECTION***

***Financial Trends***

***Revenue Capacity***

***Debt Capacity***

***Demographic and Economic Information***

***Operating Information***



# **City of Tarpon Springs, Florida**

## **Statistical Section**

### **List of Schedules**

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

#### **Financial Trends**

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

- 1 Net Position by Component - Last Ten Fiscal Years
- 2 Changes in Net Position - Last Ten Fiscal Years
- 3 Fund Balances, Governmental Funds - Last Ten Fiscal Years
- 4 Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years
- 5 Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years

#### **Revenue Capacity**

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

- 6 -A Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
- 6 -B Real and Personal Property Tax Exemptions - Last Ten Fiscal Years
- 7 Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
- 8 - A Principal Real Property Tax Payers - Current Year and Nine Years Ago
- 8 - B Principal Personal Property Tax Payers - Current Year and Nine Years Ago
- 9 Property Tax Levies and Collections - Last Ten Fiscal Years

#### **Debt Capacity**

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

- 10 Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
- 11 Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
- 12 Direct and Overlapping Governmental Activities Debt - As of September 30, 2019
- 13 Legal Debt Margin Information - Last Ten Fiscal Years
- 14 Pledged-Revenue Coverage - Last Ten Fiscal Years

#### **Demographic and Economic Information**

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

- 15 Demographic and Economic Statistics - Last Ten Fiscal Years
- 16 Principal Employers, Pinellas County - Current Year and Nine Years Ago

#### **Operating Information**

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

- 17 Full-time Equivalent City Government Employees by Function/Program -  
Last Ten Fiscal Years
- 18 Operating Indicators by Function/Program - Last Ten Fiscal Years
- 19 Capital Asset Statistics by Function/Program - Last Ten Fiscal Years

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

	Fiscal Year				Fiscal Year					
	2010	2011	2012	2013	2014 *	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 41,281,743	\$ 42,581,135	\$ 42,653,653	\$ 44,380,440	\$ 45,090,304	\$ 48,199,096	\$ 49,600,615	\$ 51,456,378	\$ 52,391,186	\$ 53,407,457
Restricted	13,322,303	12,914,081	12,896,516	12,423,712	13,233,342	11,331,250	10,994,276	9,695,502	9,251,886	8,242,401 F
Unrestricted	18,530,274	19,466,009	19,615,271	18,237,353	14,435,502	13,678,169	11,689,973	10,093,903	8,132,199 D	7,165,730 G
Total governmental activities net position	<u>\$ 73,134,320</u>	<u>\$ 74,961,225</u>	<u>\$ 75,165,440</u>	<u>\$ 75,041,505</u>	<u>\$ 72,759,148</u>	<u>\$ 73,208,515</u>	<u>\$ 72,284,864</u>	<u>\$ 71,245,783</u>	<u>\$ 69,775,271</u>	<u>\$ 68,815,588</u>
Business-type activities:										
Net investment in capital assets	\$ 26,067,196	\$ 26,751,911	\$ 30,787,409	\$ 33,033,440	\$ 47,376,740 A	\$ 57,038,372	\$ 59,405,819	\$ 59,032,457	\$ 61,644,818	\$ 62,955,086
Restricted	3,686,103	4,283,180	2,986,956	8,244,803	5,647,475 B	5,801,091	5,033,042	5,402,860	6,256,233	6,420,497
Unrestricted	11,617,680	12,354,958	14,259,417	10,623,313	6,885,518 C	8,739,652	10,560,522	11,965,743	9,644,107 E	11,412,142 H
Total business-type activities net position	<u>\$ 41,370,979</u>	<u>\$ 43,390,049</u>	<u>\$ 48,033,782</u>	<u>\$ 51,901,556</u>	<u>\$ 59,909,733</u>	<u>\$ 71,579,115</u>	<u>\$ 74,999,383</u>	<u>\$ 76,401,060</u>	<u>\$ 77,545,158</u>	<u>\$ 80,787,725</u>
Primary government:										
Net investment in capital assets	\$ 67,348,939	\$ 69,333,046	\$ 73,441,062	\$ 77,413,880	\$ 92,467,044	\$ 105,237,468	\$ 109,006,434	\$ 110,488,835	\$ 114,036,004	\$ 116,362,543
Restricted	17,008,406	17,197,261	15,883,472	20,668,515	18,880,817	17,132,341	16,027,318	15,098,362	15,508,119	14,662,898
Unrestricted	30,147,954	31,820,967	33,874,688	28,860,666	21,321,020	22,417,821	22,250,495	22,059,646	17,776,306	18,577,872
Total primary government net position	<u>\$ 114,505,299</u>	<u>\$ 118,351,274</u>	<u>\$ 123,199,222</u>	<u>\$ 126,943,061</u>	<u>\$ 132,668,881</u>	<u>\$ 144,787,630</u>	<u>\$ 147,284,247</u>	<u>\$ 147,646,843</u>	<u>\$ 147,320,429</u>	<u>\$ 149,603,313</u>

\* GASB's 68 and 71 were implemented in fiscal year 2015, fiscal year 2014 balances are restated to reflect the implementation.

- A) Increase due to construction of new Alternative Water Plant
- B) Decrease in FY 2014 due to Reserve in FY 2013 for emergency sewer break
- C) Decrease in FY 2014 due to expenses for Alternative Water Plant, FY 2015 SWFMD receipts will alleviate this.
- D) GASB 75 OPEB implementation major source of decrease.
- E) Hurricane Irma debris removal majority of decrease + GASB 75 OPEB implementation.
- F) Decrease due to increase in capital project expenditures in Local Option Sales Tax Fund
- G) Decrease due to increase in Police and Fire Pension Liability
- H) Increase due to reimbursement for Hurricane Irma debris removal

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

	Fiscal Year				Fiscal Year					
	2010	2011	2012	2013	2014	2015*	2016	2017	2018**	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,151,755	\$ 3,090,494	\$ 2,789,491	\$ 2,927,360	\$ 3,017,621	\$ 3,194,628	\$ 3,432,723	\$ 3,700,268	\$ 4,132,160	\$ 4,433,507
Public safety	11,296,815	11,325,115	11,712,003	12,282,243	12,723,797	13,021,016	14,852,516	14,815,058	16,234,276	17,366,747
Physical environment	1,129,614	1,155,888	1,240,584	1,177,133	1,171,151	994,433	1,140,607	1,203,122	1,249,625	1,405,668
Transportation	2,130,186	2,077,166	2,116,119	2,200,491	2,315,266	2,267,686	2,313,101	2,352,119	2,391,884	2,496,389
Economic environment	361,444	230,382	365,584	466,831	457,145	452,117	531,483	582,470	619,513	493,953
Culture/recreation	3,862,643	3,780,449	3,899,214	3,901,603	4,002,625	4,083,635	4,239,363	4,502,297	4,650,379	4,607,221
Interest on long-term debt	23,373	16,841	12,542	8,114	3,526	-	-	-	-	-
Total governmental activities expenses	<u>21,955,830</u>	<u>21,676,335</u>	<u>22,135,537</u>	<u>22,963,775</u>	<u>23,691,131</u>	<u>24,013,515</u>	<u>26,509,793</u>	<u>27,155,334</u>	<u>29,277,837</u>	<u>30,803,485</u>
Business-type activities:										
Water/Sewer	9,681,751	9,407,340	9,348,746	11,139,707	11,328,461	12,745,072	12,912,634	13,765,541	13,781,438	14,398,298
Sanitation	4,877,167	4,888,177	3,701,551	3,705,989	3,892,966	4,106,003	4,335,007	4,748,340	6,147,368	4,955,865
Storm Water	814,746	656,883	687,356	764,604	835,943	1,003,463	1,057,100	1,322,226	1,395,324	1,362,896
Golf Course	1,185,149	1,178,261	1,217,951	1,222,499	1,111,819	1,257,698	1,369,316	1,233,795	1,269,051	1,414,414
Marina	94,279	96,211	84,547	88,566	92,019	109,403	113,616	113,877	117,932	123,057
Total business-type activities expenses	<u>16,653,092</u>	<u>16,226,872</u>	<u>15,040,151</u>	<u>16,921,365</u>	<u>17,261,208</u>	<u>19,221,639</u>	<u>19,787,673</u>	<u>21,183,779</u>	<u>22,711,113</u>	<u>22,254,530</u>
Total primary government expenses	<u>\$ 38,608,922</u>	<u>\$ 37,903,207</u>	<u>\$ 37,175,688</u>	<u>\$ 39,885,140</u>	<u>\$ 40,952,339</u>	<u>\$ 43,235,154</u>	<u>\$ 46,297,466</u>	<u>\$ 48,339,113</u>	<u>\$ 51,988,950</u>	<u>\$ 53,058,015</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 530,030	\$ 526,133	\$ 545,215	\$ 630,026	\$ 643,467	\$ 657,837	\$ 699,323	\$ 727,516	\$ 723,489	\$ 654,759
Public safety	2,121,388	2,094,293	1,868,326	2,109,951	2,380,485	2,392,264	2,797,387	2,814,847	3,134,010	3,021,853
Physical environment	111,909	218,822	169,750	177,515	209,146	168,483	169,791	186,427	175,490	184,854
Transportation	-	-	-	-	-	-	-	-	-	20
Culture/recreation	376,447	352,600	374,117	378,345	423,844	356,468	330,104	463,927	591,274	494,045
Operating grants and contributions	890,126	752,469	604,223	632,434	917,380	708,400	606,237	701,467	1,207,794	916,476
Capital grants and contributions	730,133	877,714	160,702	1,103,109	375,687	386,754	774,297	306,924	690,902	381,656
Total governmental activities program revenues	<u>4,760,033</u>	<u>4,822,031</u>	<u>3,722,333</u>	<u>5,031,380</u>	<u>4,950,009</u>	<u>4,670,206</u>	<u>5,377,139</u>	<u>5,201,108</u>	<u>6,522,959</u>	<u>5,653,663</u>
Business-type activities:										
Charges for services:										
Water/Sewer	10,277,658	10,987,035	11,698,218	12,656,837	13,067,679	13,626,383	14,559,195	15,487,892	16,075,934	16,573,432
Sanitation	5,170,267	5,089,668	4,031,733	4,108,504	4,290,803	4,501,118	4,707,377	4,998,115	5,050,222	5,216,017
Storm Water	1,106,548	1,103,375	1,106,378	1,112,834	1,148,787	1,144,356	1,306,718	1,334,347	1,426,445	1,614,987
Golf Course	1,246,668	1,297,338	1,363,095	1,454,599	1,064,827	1,300,411	1,361,752	1,293,925	1,295,983	1,291,048
Marina	71,609	68,882	45,235	50,684	60,861	71,084	74,064	78,181	81,315	53,003
Operating grants and contributions	-	-	44,988	13,469	-	-	-	10,093	166,126	1,257,474
Capital grants and contributions	164,608	425,317	2,116,009	2,259,507	6,388,338	11,048,730	2,055,112	482,469	1,035,670	557,077
Total business-type activities program revenues	<u>18,037,358</u>	<u>18,971,615</u>	<u>20,405,656</u>	<u>21,656,434</u>	<u>26,021,295</u>	<u>31,692,082</u>	<u>24,064,218</u>	<u>23,685,022</u>	<u>25,131,695</u>	<u>26,563,038</u>
Total primary government program revenues	<u>\$ 22,797,391</u>	<u>\$ 23,793,646</u>	<u>\$ 24,127,989</u>	<u>\$ 26,687,814</u>	<u>\$ 30,971,304</u>	<u>\$ 36,362,288</u>	<u>\$ 29,441,357</u>	<u>\$ 28,886,130</u>	<u>\$ 31,654,654</u>	<u>\$ 32,216,701</u>

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

	Fiscal Year				Fiscal Year					
	2010	2011	2012	2013	2014	2015*	2016	2017	2018**	2019
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (17,195,797)	\$ (16,854,304)	\$ (18,413,204)	\$ (17,932,395)	\$ (18,741,122)	\$ (19,343,309)	\$ (21,132,654)	\$ (21,954,226)	\$ (22,754,878)	\$ (25,149,822)
Business-type activities	1,384,266	2,744,743	5,365,505	4,735,069	8,760,087	12,470,443	4,276,545	2,501,243	2,420,582	4,308,508
Total primary government net expense	<u>\$ (15,811,531)</u>	<u>\$ (14,109,561)</u>	<u>\$ (13,047,699)</u>	<u>\$ (13,197,326)</u>	<u>\$ (9,981,035)</u>	<u>\$ (6,872,866)</u>	<u>\$ (16,856,109)</u>	<u>\$ (19,452,983)</u>	<u>\$ (20,334,296)</u>	<u>\$ (20,841,314)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property	\$ 7,648,740	\$ 7,375,405	\$ 7,026,707	\$ 6,853,987	\$ 6,972,982	\$ 7,378,995	\$ 7,828,030	\$ 8,286,893	\$ 8,903,816	\$ 9,437,667
Property - TIF	191,121	145,579	121,924	115,714	135,007	151,086	165,527	185,586	203,895	238,881
Franchise fees (A)	-	-	-	-	-	-	-	-	-	-
Utility	2,621,960	2,515,843	2,386,538	2,603,245	2,796,901	2,778,970	2,896,032	2,963,184	3,045,339	3,246,311
Communication service	1,199,683	1,128,100	1,142,824	1,073,489	1,024,720	967,373	940,076	919,582	937,774	884,958
Half-cent sales	1,173,804	1,209,877	1,236,403	1,292,192	1,372,185	1,450,989	1,522,938	1,542,364	1,599,644	1,661,161
Local option gas	298,150	290,820	295,330	301,086	301,389	312,407	321,439	324,217	333,801	339,385
Local option sales	1,610,685	1,665,280	1,762,725	1,862,505	1,987,731	2,139,530	2,250,231	2,313,011	2,450,847	2,578,452
Local business (A)	184,452	177,632	176,558	172,804	162,355	161,021	161,569	160,636	141,876	151,605
Other	56,469	55,736	52,478	54,694	57,011	57,623	59,348	63,893	61,185	60,389
Franchise fees (A)	1,948,215	1,771,745	1,653,880	1,612,675	1,765,945	1,777,207	1,666,479	1,649,933	1,768,138	1,887,605
State revenue sharing	615,365	643,733	656,534	662,791	708,168	763,051	787,803	834,871	863,397	903,617
Investment income	327,913	233,698	238,069	30,369	173,212	304,826	269,278	207,753	208,846	768,522
Miscellaneous	358,134	337,602	912,698	237,202	867,571	509,088	284,976	209,878	344,919	319,833
Transfers	951,914	969,663	954,751	935,707	951,553	1,040,510	1,055,277	1,253,344	1,416,062	1,711,753
Total governmental activities	<u>19,186,605</u>	<u>18,520,713</u>	<u>18,617,419</u>	<u>17,808,460</u>	<u>19,276,730</u>	<u>19,792,676</u>	<u>20,209,003</u>	<u>20,915,145</u>	<u>22,279,539</u>	<u>24,190,139</u>
Business-type activities:										
Investment income	378,523	243,990	232,979	68,412	199,643	239,449	199,000	153,778	148,401	645,812
Transfers	(951,914)	(969,663)	(954,751)	(935,707)	(951,553)	(1,040,510)	(1,055,277)	(1,253,344)	(1,416,062)	(1,711,753)
Total business-type activities	<u>(573,391)</u>	<u>(725,673)</u>	<u>(721,772)</u>	<u>(867,295)</u>	<u>(751,910)</u>	<u>(801,061)</u>	<u>(856,277)</u>	<u>(1,099,566)</u>	<u>(1,267,661)</u>	<u>(1,065,941)</u>
Total primary government	<u>\$ 18,613,214</u>	<u>\$ 17,795,040</u>	<u>\$ 17,895,647</u>	<u>\$ 16,941,165</u>	<u>\$ 18,524,820</u>	<u>\$ 18,991,615</u>	<u>\$ 19,352,726</u>	<u>\$ 19,815,579</u>	<u>\$ 21,011,878</u>	<u>\$ 23,124,198</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,990,808	\$ 1,666,409	\$ 204,215	\$ (123,935)	\$ 535,608	\$ 449,367	\$ (923,651)	\$ (1,039,081)	\$ (475,339)	\$ (959,683)
Business-type activities	810,875	2,019,070	4,643,733	3,867,774	8,008,177	11,669,382	3,420,268	1,401,677	1,152,921	3,242,567
Total primary government	<u>\$ 2,801,683</u>	<u>\$ 3,685,479</u>	<u>\$ 4,847,948</u>	<u>\$ 3,743,839</u>	<u>\$ 8,543,785</u>	<u>\$ 12,118,749</u>	<u>\$ 2,496,617</u>	<u>\$ 362,596</u>	<u>\$ 677,582</u>	<u>\$ 2,282,884</u>

\* GASB's 68 and 71 were implemented in fiscal year 2015.

\*\* GASB 75 was implemented in fiscal year 2018.

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

		Fiscal Year				Fiscal Year					
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund											
	Nonspendable	\$ 330,533	\$ 357,162	\$ 370,883	\$ 378,222	\$ 346,049	\$ 347,936	\$ 372,891	\$ 379,224	\$ 380,997	\$ 371,262
	Restricted	282,319	272,255	235,644	251,147	264,696	254,281	196,191	192,379	244,990	302,388
	Committed	2,029,862	2,235,030	2,383,557	2,095,903	2,626,978	2,761,515	2,860,248	2,606,310	2,698,797	2,467,081
	Assigned	2,852,355	4,033,690	4,041,932	4,816,784	4,666,200	3,502,247	2,493,910	2,058,525	2,018,619	2,661,208
	Unassigned	10,935,000	10,410,510	10,559,574	9,178,148	8,872,797	8,820,443	8,820,443	8,562,911	8,834,948	8,819,109
Total general fund		<u>\$ 16,430,069</u>	<u>\$ 17,308,647</u>	<u>\$ 17,591,590</u>	<u>\$ 16,720,204</u>	<u>\$ 16,776,720</u>	<u>\$ 15,686,422</u>	<u>\$ 14,743,683</u>	<u>\$ 13,799,349</u>	<u>\$ 14,178,351</u>	<u>\$ 14,621,048</u>
All Other Governmental Funds											
	Nonspendable	\$ 3,557,169	\$ 3,368,659	\$ 4,203,228	\$ 3,042,589	\$ 2,871,358	\$ 2,694,108	\$ 2,511,158	\$ 2,322,086	\$ 2,129,503	\$ 2,002,798
	Restricted	9,114,170	8,868,090	8,033,543	8,712,030	9,095,312	7,471,368	7,445,756	6,419,795	6,196,798	5,370,510
	Committed	433,995	435,298	428,968	431,557	432,353	434,017	337,974	340,959	257,795	191,051
	Unassigned	(57,157)	(40,926)	(37,325)	(29,340)	(22,406)	-	-	-	-	-
Total all other governmental funds		<u>\$ 13,048,177</u>	<u>\$ 12,631,121</u>	<u>\$ 12,628,414</u>	<u>\$ 12,156,836</u>	<u>\$ 12,376,617</u>	<u>\$ 10,599,493</u>	<u>\$ 10,294,888</u>	<u>\$ 9,082,840</u>	<u>\$ 8,584,096</u>	<u>\$ 7,564,359</u>
Total Fund Balance All Governmental Funds		<u>\$ 29,478,246</u>	<u>\$ 29,939,768</u>	<u>\$ 30,220,004</u>	<u>\$ 28,877,040</u>	<u>\$ 29,153,337</u>	<u>\$ 26,285,915</u>	<u>\$ 25,038,571</u>	<u>\$ 22,882,189</u>	<u>\$ 22,762,447</u>	<u>\$ 22,185,407</u>

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

	Fiscal Year					Fiscal Year				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 13,563,670	\$ 13,153,081	\$ 12,790,682	\$ 12,867,116	\$ 13,246,078	\$ 13,738,296	\$ 14,397,377	\$ 14,967,524	\$ 15,813,454	\$ 16,638,380
Licenses, permits and fees	2,310,578	2,447,907	1,961,249	2,346,719	2,769,747	2,368,714	2,433,841	2,378,297	3,094,150	2,529,193
Intergovernmental	3,561,195	3,381,804	2,650,694	3,408,688	2,880,488	2,872,827	3,469,094	3,201,918	3,703,583	3,748,511
Charges for services	2,018,521	1,881,376	1,967,159	2,179,396	2,174,865	2,624,418	2,662,086	3,091,045	3,125,487	3,127,683
Fines and forfeitures	258,964	266,300	233,909	211,463	160,649	128,387	249,628	86,240	265,358	211,963
Other	1,266,746	1,214,601	1,772,274	873,106	1,205,617	1,659,084	1,328,446	1,120,535	1,361,333	1,755,721
Total Revenues	22,979,674	22,345,069	21,375,967	21,886,488	22,437,444	23,391,726	24,540,472	24,845,559	27,363,365	28,011,451
<b>Expenditures</b>										
General government	2,952,196	2,852,948	2,563,972	2,644,069	2,788,106	2,970,399	3,009,776	3,204,654	3,495,939	3,818,917
Public safety	10,561,114	10,590,580	10,883,704	11,401,751	11,882,838	12,528,332	12,997,966	12,981,317	13,924,148	14,678,798
Physical environment	1,053,644	1,067,678	1,147,784	1,075,278	1,047,300	875,078	972,368	1,032,214	1,049,206	1,202,198
Transportation	1,027,465	1,002,303	994,527	1,039,533	1,126,516	1,046,882	1,056,737	1,035,593	1,104,129	1,211,594
Economic environment	323,588	192,154	199,870	276,719	253,750	245,914	320,472	388,246	425,271	302,268
Culture & recreation	3,495,903	3,431,376	3,476,283	3,449,764	3,527,733	3,542,855	3,649,825	3,881,670	3,959,979	3,913,130
Capital outlay	3,430,771	3,727,826	2,634,800	4,344,599	3,381,973	6,090,198	4,861,649	5,731,591	4,940,497	5,173,339
Debt service										
Interest	27,317	16,841	12,542	8,114	3,526	-	-	-	-	-
Principal	425,467	132,000	137,000	141,000	146,000	-	-	-	-	-
Total expenditures	23,297,465	23,013,706	22,050,482	24,380,827	24,157,742	27,299,658	26,868,793	28,255,285	28,899,169	30,300,244
Excess of revenues over (under) expenditures	(317,791)	(668,637)	(674,515)	(2,494,339)	(1,720,298)	(3,907,932)	(2,328,321)	(3,409,726)	(1,535,804)	(2,288,793)
<b>Other Financing Sources (Uses)</b>										
Land sale	-	-	-	-	802,669	-	-	-	-	-
Issuance of debt	667,000	-	-	-	-	-	-	-	-	-
Transfers in	1,258,587	1,419,663	1,450,979	1,568,129	1,554,926	1,402,510	1,644,613	1,699,548	1,978,184	2,277,599
Transfers out	(306,673)	(450,000)	(496,228)	(416,754)	(361,000)	(362,000)	(563,636)	(446,204)	(562,122)	(565,846)
Total other financing sources (uses)	1,618,914	969,663	954,751	1,151,375	1,996,595	1,040,510	1,080,977	1,253,344	1,416,062	1,711,753
Net change in fund balances	\$ 1,301,123	\$ 301,026	\$ 280,236	\$ (1,342,964)	\$ 276,297	\$ (2,867,422)	\$ (1,247,344)	\$ (2,156,382)	\$ (119,742)	\$ (577,040)
Debt service as a percentage of noncapital expenditures	2.3%	0.8%	0.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%

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

<b>Fiscal Year</b>	<b>Property</b>	<b>Franchise</b>	<b>Utility</b>	<b>Communication Service</b>	<b>Local Business Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Total</b>
2010	\$ 7,648,740	\$ 1,948,215	\$ 2,621,960	\$ 1,199,683	\$ 184,452	\$ 1,908,835	\$ 15,511,885
2011	7,375,405	1,771,745	2,515,843	1,128,100	177,632	1,956,100	14,924,825
2012	7,026,707	1,653,880	2,386,538	1,142,824	176,558	2,058,055	14,444,562
2013	6,853,987	1,612,675	2,603,245	1,073,489	172,804	2,163,591	14,479,791
2014	6,972,982	1,765,945	2,796,901	1,024,720	162,355	2,289,120	15,012,023
2015	7,378,995	1,777,207	2,778,970	967,373	161,021	2,451,937	15,515,503
2016	7,828,030	1,666,479	2,896,032	940,076	161,569	2,571,670	16,063,856
2017	8,286,893	1,649,933	2,963,184	919,582	160,636	2,637,228	16,617,456
2018	8,903,816	1,768,138	3,045,340	937,774	141,876	2,784,648	17,581,592
2019	9,437,668	1,887,605	3,246,311	884,958	151,605	2,917,838	18,525,985
Change 2010 - 2019	23.4%	-3.1%	23.8%	-26.2%	-17.8%	52.9%	19.4%

**City of Tarpon Springs, Florida**

**Schedule 6 - A**

**Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	Real Property							Personal Property			Total Real and Personal Property			Total Direct Tax Rate	Tax-Exempt as a Percentage of Total Assessed
	Residential Property	Commercial Property	Industrial Property	Other Property (A)	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value		
2010	\$ 1,702,929,846	B \$ 309,485,107	\$ 65,712,852	\$ 234,485,367	\$ 2,312,613,172	\$ 799,422,279	\$ 1,513,190,893	\$ 87,936,835	\$ 17,767,680	\$ 70,169,155	\$ 2,400,550,007	\$ 817,189,959	\$ 1,583,360,048	4.9500	34.04%
2011	1,352,854,790	B 275,694,894	57,753,713	209,822,071	1,896,125,468	565,367,720	1,330,757,748	79,793,060	15,744,372	64,048,688	1,975,918,528	581,112,092	1,394,806,436	5.4500	29.41%
2012	1,294,061,078	B 263,907,132	53,004,754	198,799,665	1,809,772,629	549,402,203	1,260,370,426	83,165,794	14,826,327	68,339,467	1,892,938,423	564,228,530	1,328,709,893	5.4500	29.81%
2013	1,260,764,191	B 261,785,756	50,657,910	203,728,378	1,776,936,235	545,146,481	1,231,789,754	80,263,674	13,708,093	66,555,581	1,857,199,909	558,854,574	1,298,345,335	5.4500	30.09%
2014	1,268,130,129	268,766,883	52,755,583	211,147,924	1,800,800,519	547,856,726	1,252,943,793	76,678,205	13,635,441	63,042,764	1,877,478,724	561,492,167	1,315,986,557	5.4500	29.91%
2015	1,334,111,444	284,024,094	53,657,954	220,000,659	1,891,794,151	559,583,542	1,332,210,609	81,290,925	13,587,262	67,703,663	1,973,085,076	573,170,804	1,399,914,272	5.4500	29.05%
2016	1,409,731,510	293,863,605	56,052,196	224,926,078	1,984,573,389	569,565,707	1,415,007,682	80,383,933	13,191,947	67,191,986	2,064,957,322	582,757,654	1,482,199,668	5.4500	28.22%
2017	1,485,135,800	314,812,488	57,047,971	228,200,974	2,085,197,233	576,890,857	1,508,306,376	84,954,573	16,159,495	68,795,078	2,170,151,806	593,050,352	1,577,101,454	5.4200	27.33%
2018	1,583,455,376	330,947,135	61,756,957	235,291,885	2,211,451,353	592,890,424	1,618,560,929	96,244,755	16,588,585	79,656,170	2,307,696,108	609,479,009	1,698,217,099	5.4200	26.41%
2019	1,705,299,840	340,710,083	62,398,617	244,149,350	2,352,557,890	627,063,266	1,725,494,624	94,094,896	16,442,010	77,652,886	2,446,652,786	643,505,276	1,803,147,510	5.4200	26.30%
Change 2010 - 2019	0%	10%	-5%	4%	2%	-22%	14%	7%	-7%	11%	2%	-21%	14%	9%	

Source: Pinellas County Property Appraiser.

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

B) Decrease in property values due to economic downturn.

**Recent Property Tax Legislation:**

Maximum Millage Rate - FY 2008, Tax Year 2007 the State of Florida passed legislation requiring;

Majority vote maximum millage rate of roll-back rate plus adjustment for Florida Personal Income (FPI)

Two-thirds vote maximum millage rate of majority vote maximum times 110%

Unanimous vote for millage rates above 110% of the two-thirds maximum millage rate

Amendment One - FY 2009, Tax Year 2008 the State of Florida passed legislation with the following four parts:

Additional \$25,000 Homestead Exemption - If you have Homestead Exemption it will be applied on the assessed value between \$50,000 and \$75,000. It does not apply to school taxes.

Portability - Homestead property owners are able to transfer their Save Our Homes (SOH) benefit (up to \$500,000) to a new homestead within two years of giving up their previous homestead.

Tangible Personal Property Exemption - A \$25,000 exemption is provided for each tangible personal property return.

Assessment Cap for Non-Homestead Property - Non-homestead property will have a 10% assessment cap (similar to SOH). This does not apply to school taxes.



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

Fiscal Year Ended Sept. 30	Real Property								Personal Property					Real & Personal Total Exemptions
	Governmental	Institutional	\$25,000 Homestead	Additional \$25,000 Homestead (C)	Additional \$25,000 (Senior) Homestead (B)	Homestead Assessment Diff (SOH) (E)	Other Exemptions (A)	Total Exemptions	Governmental	Institutional	Tangible Personal Property (D)	Other Exemptions (A)	Total Exemptions	
2010	\$ 216,837,184	\$ 51,165,598	\$ 167,971,628	\$ 141,321,644	\$ 9,663,621	\$196,793,403	\$ 15,669,201	\$ 799,422,279	\$ 123,205	\$ 7,557,037	\$ 10,064,248	\$ 23,190	\$ 17,767,680	\$ 817,189,959
2011	192,112,501	45,726,249	165,929,594	138,775,970	11,172,205	-	11,651,201	565,367,720	189,464	6,296,385	9,236,012	22,511	15,744,372	581,112,092
2012	183,499,325	45,571,359	163,055,919	134,246,818	10,847,769	-	12,181,013	549,402,203	176,433	5,898,511	8,729,473	21,910	14,826,327	564,228,530
2013	186,759,207	46,040,744	162,222,590	127,760,264	10,759,291	-	11,604,385	545,146,481	158,320	4,969,664	8,558,900	21,209	13,708,093	558,854,574
2014	189,015,469	48,492,779	160,787,995	127,159,944	9,794,976	-	12,605,563	547,856,726	143,560	4,760,580	8,710,802	20,499	13,635,441	561,492,167
2015	198,182,189	51,512,295	158,339,314	127,280,588	9,585,445	-	14,683,711	559,583,542	383,168	4,372,801	8,811,471	19,822	13,587,262	573,170,804
2016	202,633,169	54,045,257	159,306,093	129,832,648	9,588,094	-	14,160,446	569,565,707	352,697	4,049,784	8,770,317	19,149	13,191,947	582,757,654
2017	205,311,962	54,091,982	160,601,356	133,049,364	9,386,780	-	14,449,413	576,890,857	320,895	6,921,438	8,898,647	18,515	16,159,495	593,050,352
2018	207,757,906	55,309,843	164,782,650	138,802,226	9,456,838	-	16,780,961	592,890,424	538,798	7,146,147	8,885,562	18,078	16,588,585	609,479,009
2019	218,274,077	64,378,767	169,308,444	145,576,793	9,640,091	-	19,885,094	627,063,266	490,648	7,107,059	8,826,577	17,726	16,442,010	643,505,276

Source: Pinellas County Property Appraiser.

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

**Recent Property Tax Legislation:**

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

**Amendment One - FY 2009, Tax Year 2008 the State of Florida passed legislation with the following four parts:**

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

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

Fiscal Year	City Direct Rate (A)	Overlapping Rates (D)					Total
		School	County (B)	Transit District (E)	Emergency Medical Service (E)	Other (C)	
2010	4.9500	8.3460	4.8730	.5601	.5832	1.5106	20.8229
2011	5.4500	8.3400	4.8730	.5601	.5832	1.4410	21.2473
2012	5.4500	8.3850	4.8730	.7305	.8506	1.2390	21.5281
2013	5.4500	8.3020	5.0727	.7305	.9158	1.3034	21.7744
2014	5.4500	8.0600	5.3377	.7305	.9158	1.2959	21.7899
2015	5.4500	7.8410	5.3377	.7305	.9158	1.2799	21.5549
2016	5.4500	7.7700	5.3377	.7305	.9158	1.2629	21.4669
2017	5.4200	7.3180	5.3377	.7500	.9158	1.2448	20.9863
2018	5.4200	7.0090	5.3590	.7500	.9158	1.2262	20.6800
2019	5.4200	6.7270	5.3590	.7500	.9158	1.2086	20.3804

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

B) County includes:

General Fund	5.2755
Mosquito Control	0.0000
Health Department	0.0835
	<u>5.3590</u>

C) Other includes:

Pinellas County Planning Council	0.0150
Juvenile Welfare Board	0.8981
SW Florida Water Mgt. District	0.2955
	<u>1.2086</u>

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

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

Source: Pinellas County Property Appraiser.

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

Taxpayer	2019			2010		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Centro N P Tarpon Mall LLC	\$ 20,245,000	1	1.12%	\$ 15,246,000	1	0.96%
CRP/CRE - Sun Valley LLC	15,400,000	2	0.85%	-		-
CRP/CRE Meadows Owner LLC	12,900,000	3	0.72%	-		-
DDR Tarpon Square LLC	11,156,095	4	0.62%	9,943,596	3	0.63%
Lowes Home Centers Inc	9,870,488	5	0.55%	-		-
Riverside Partners LTD	8,664,000	6	0.48%	11,875,000	2	0.75%
Wal-Mart Stores East LP	7,520,000	7	0.42%	5,977,289	6	0.38%
SUSO1 FUQUAY LP	6,780,000	8	0.38%	-		-
Storage Trust Properties	6,640,000	9	0.37%	5,395,000	8	0.34%
Capital Resources of Florida LLC	6,570,000	10	0.36%	-		-
River Site LLC	-		-	8,318,420	4	0.53%
Shamrock Millco-Sun Valley LLC	-		-	8,300,000	5	0.52%
Turtle Cove Group LLC	-		-	5,417,672	7	0.34%
1527 N Riverside Dr LLC	-		-	5,320,105	9	0.34%
Lime Street Properties Inc	-		-	5,300,000	10	0.33%
<b>TOTAL</b>	<b>\$ 105,745,583</b>		<b>5.87%</b>	<b>\$ 81,093,082</b>		<b>5.12%</b>

A) Percentages are based on the total assessed value of \$ 1,803,147,510

B) Percentages are based on the total assessed value of \$ 1,583,360,048

Source: Pinellas County Property Appraiser.

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

Taxpayer	2019			2010		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Duke Energy (Florida Power Corp)	\$ 20,833,042	1	1.16%	\$ 14,455,067	1	0.91%
Frontier CommunicationsVerizon Florida LLC	5,689,207	2	0.32%	13,650,983	2	0.86%
Hertz Equip Rental Corp	4,539,497	3	0.25%	2,403,371	5	0.15%
Lowe's of Tarpon Springs	4,263,798	4	0.24%	-	-	-
Bright House Networks LLC	3,099,643	5	0.17%	3,587,000	3	0.23%
Barnett Outdoors LLC	3,007,414	6	0.17%	-	-	-
Reload Gun Range	2,305,139	7	0.13%	-	-	-
St Lukes Cataract & Laser Inst. Inc	1,858,481	8	0.10%	2,711,012	4	0.17%
Wal-Mart Stores East LP	1,562,650	9	0.09%	-	-	-
Southern Road & Bridge LLC	1,478,729	10	0.08%	-	-	-
General Electric Capital Corp	-	-	-	2,017,466	6	0.13%
Publix Supermarket #144	-	-	-	1,522,486	7	0.10%
General Electric Credit Co	-	-	-	1,457,783	8	0.09%
Knology Broadband of Florida	-	-	-	834,343	9	0.05%
Winn Dixie	-	-	-	798,829	10	0.05%
TOTAL	\$ <u>48,637,600</u>		<u>2.71%</u>	\$ <u>43,438,340</u>		<u>2.74%</u>

A) Percentages are based on the total assessed value of \$ 1,803,147,510

B) Percentages are based on the total assessed value of \$ 1,583,360,048

Source: Pinellas County Property Appraiser.

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections (B)	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 7,837,632	\$ 7,591,358	96.86%	\$ 67,554	\$ 7,658,912	97.72%
2011	7,601,697	7,355,168	96.76%	45,206	7,400,374	97.35%
2012	7,241,470	6,992,075	96.56%	34,834	7,026,909	97.04%
2013	7,075,982	6,823,866	96.44%	37,107	6,860,973	96.96%
2014	7,172,129	6,921,677	96.51%	15,946	6,937,623	96.73%
2015	7,629,535	7,365,640	96.54%	29,033	7,394,673	96.92%
2016	8,077,989	7,798,312	96.54%	19,389	7,817,701	96.78%
2017	8,547,890	8,257,776	96.61%	11,882	8,269,658	96.75%
2018	9,204,337	8,883,785	96.52%	8,695	8,892,480	96.61%
2019	9,773,060	9,425,095	96.44%	6,828	9,431,923	96.51%

A) These amounts are net of discounts taken.

B) This column represents delinquent collections received that fiscal year prior to FY 2012.

FY 2012 is the first year the County Tax Collector allocated delinquent taxes collected by the year levied.

Note 1:

Discounts are allowed for early payment: 4% for November, 3% for December, 2% for January, and 1% for February.

No discount is allowed for payment in March. Penalties are assessed beginning in April.

Source: Pinellas County Property Appraiser.

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

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
	Revenue Note	Capital Leases	Revenue Bonds	Grant Anticipation Note	Capital Leases			
2010	\$ 556,000	\$ -	\$ 6,673,965	\$ -	\$ -	\$ 7,229,965	0.67%	296
2011	424,000	-	6,673,965	-	-	7,097,965	0.74%	302
2012	287,000	-	6,673,965	-	-	6,960,965	0.70%	293
2013	146,000	-	36,255,249	6,741,900	-	43,143,149	3.79%	1,803
2014	-	-	36,238,777	11,197,727	-	47,436,504	4.30%	1,959
2015	-	-	35,432,306	-	-	35,432,306	3.16%	1,451
2016	-	-	34,595,836	-	-	34,595,836	2.94%	1,404
2017	-	-	33,729,364	-	-	33,729,364	2.73%	1,344
2018	-	-	32,832,892	-	-	32,832,892	2.55%	1,290
2019	-	-	31,901,421	-	-	31,901,421	2.34%	1,251

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

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

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

Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds	Revenue Note	Total	Percentage of Actual Taxable Value of Real Property (A)	Per Capita (B)
2010	\$ -	\$ 556,000	\$ 556,000	0.04%	23
2011	-	424,000	424,000	0.03%	18
2012	-	287,000	287,000	0.02%	12
2013	-	146,000	146,000	0.01%	6
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-

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

A) See Schedule 6 for property value data.

B) See Schedule 15 for population data.

**City of Tarpon Springs, Florida**  
**Schedule 12**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of September 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (A)</u>	<u>Estimated Share of Overlapping Debt</u>
Pinellas County Bonds/Notes	\$ 18,634,328	2.27%	\$ 422,999
Pinellas County Capital Leases	298,264	2.27%	6,771
Pinellas County School District State Bonds	618,000	2.27%	14,029
Pinellas County School District Capital Leases	4,752,393	2.27%	107,879
Subtotal, overlapping debt			<u>551,679</u>
City direct debt	-	100.00%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 551,679</u></u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$1,803,147,510/\$79,376,212,411).

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

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



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

<b>Legal Debt Margin Calculation for Fiscal Year 2019</b>	
Assessed value (A)	1,803,147,510
Debt limit (100% of total assessed value) (B)	<u>\$ 1,803,147,510</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	-
Capital leases	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 1,803,147,510</u></u>

	Fiscal Year				Fiscal Year					
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit (B)	\$ 1,583,360,048	\$ 1,394,806,436	\$ 1,328,709,893	\$ 1,298,345,335	\$ 1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510
Total net debt applicable to limit ( C)	<u>556,000</u>	<u>424,000</u>	<u>287,000</u>	<u>146,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin (B)	\$ 1,582,804,048	\$ 1,394,382,436	\$ 1,328,422,893	\$ 1,298,199,335	\$ 1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510
Total net debt applicable to the limit as a percentage of debt limit	0.04%	0.03%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Fiscal Year	Water and Sewer Revenue Bonds							
	Gross Revenues		Less: Operating Expenses (B)	Net Available Revenue	Debt Service			Coverage
					Principal	Interest	Total	
2010	\$ 10,512,915	A	\$ 8,149,009	\$2,363,906	\$ 60,000	\$ 53,594	\$ 113,594	20.81
2011	11,187,120	A	7,807,205	3,379,915	-	51,182	51,182	66.04
2012	11,941,116	A	7,762,107	4,179,009	-	52,075	52,075	80.25
2013	12,947,503	C	8,763,536	4,183,967	-	202,800	202,800	20.63
2014	13,327,366	C	8,823,343	4,504,023	-	873,784	873,784	5.15
2015	13,858,647	C	9,403,297	4,455,350	790,000	1,306,356	2,096,356	2.13
2016	14,803,807	C	8,073,401	6,730,406	820,000	1,223,312	2,043,312	3.29
2017	15,779,350	C	8,568,453	7,210,897	850,000	1,193,013	2,043,013	3.53
2018	16,869,252	C	8,649,025	8,220,227	880,000	1,161,563	2,041,563	4.03
2019	17,120,552	C	9,049,227	8,071,325	915,000	1,129,013	2,044,013	3.95

A) Includes interest earnings and gross revenues of the Water and Sewer Fund and 45.5% of sewer impact revenues and interest thereon.

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

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

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

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

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Personal Income (per thousand) (B)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>School Enrollment (D)</u>	<u>Unemployment Rate (E)</u>
2010	24,429	\$ 1,074,583	\$ 43,988	45.3	6,840	11.7%
2011	23,465	964,646	41,110	46.3	6,735	10.3%
2012	23,737	996,099	41,964	46.5	6,222	10.5%
2013	23,935	1,137,463	47,523	47.4	5,756	8.5%
2014	24,220	1,103,802	45,574	47.7	6,596	6.7%
2015	24,421	1,121,534	45,925	47.5	6,597	6.3%
2016	24,637	1,175,949	47,731	47.8	6,328	5.4%
2017	25,093	1,234,224	49,186	48.0	6,449	4.9%
2018	25,455	1,288,787	50,630	48.1	6,471	4.2%
2019	25,507	1,363,477	53,455	48.3	6,514	3.6%

Source:

- A) Pinellas County Economic Development Department, City Planning Department, Bureau of Economic & Business Research at the University of Florida.
- B) Data is from per capita personal income for Pinellas County for one year prior. Source is the Bureau of Economic & Business Research at the University of Florida, and Florida Office of Economic and Demographic Research.
- C) Data is from per capita personal income for Pinellas County. Source is the Bureau of Economic & Business Research at the University of Florida, and Pinellas County Economic Development.
- D) Pinellas County School Board, Public school enrollment, elementary through high school. Includes East Lake High School.
- E) U.S. Department of Labor - Bureau of Labor Statistics, and Pinellas County Planning Department. and Florida Department Economic Development Opportunity.

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

Employer	2019		2010	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	4,000	1	2,600	4
Home Shopping Club	2,000	2	4,000	1
Tech Data Corp.	2,000	3	2,600	5
Spectrum	2,000	4	-	-
Fidelity Information Services	1,500	5	4,000	2
The Nielsen Company	1,500	6	3,000	3
Jabil Circuit, Inc.	1,500	7	1700	7
Honeywell Aerospace	1,500	8	-	-
Valpak	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Agora Marketing Solutions	-	-	1,800	6
Western Reserve Life Assur.	-	-	1,500	8
Ceridian Benefit Services	-	-	1,200	9
Franklin Templeton Invest.	-	-	1,200	10
TOTAL	18,500		23,600	

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

Source: Pinellas County Economic Development Department.

**City of Tarpon Springs, Florida**

**Schedule 17**

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
General government	30.40	29.80	28.80	29.80	29.80	29.80	31.10	32.10	32.77	33.77
Public safety	109.00	107.00	105.00	106.00	106.00	106.00	111.00	114.00	117.36	119.36
Physical environment	15.00	15.20	15.20	14.20	13.20	12.45	11.65	12.65	11.40	11.40
Transportation	11.10	10.30	10.30	9.30	9.30	8.40	8.40	8.40	8.40	8.40
Economic Environment	2.20	2.20	2.20	2.20	2.85	2.85	2.85	2.85	2.85	2.85
Culture/recreation	38.00	38.00	37.00	37.00	36.45	38.40	36.65	36.65	38.95	38.95
Water/Sewer	61.50	58.55	58.55	59.55	59.55	60.27	73.07	73.82	75.09	75.09
Sanitation	6.30	7.60	7.60	7.60	7.60	8.40	7.40	7.40	7.55	7.55
Stormwater	7.45	7.25	8.25	8.25	8.25	8.43	7.93	7.93	8.59	8.59
Golf Course	5.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Marina	0.05	0.10	0.10	0.10	1.00	1.00	1.20	1.20	1.20	1.20
Total	286.00	280.00	277.00	278.00	278.00	281.00	296.25	302.00	309.16	312.16

Source: City Budget documents.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
Public safety										
Police										
Arrests	1,424	990	942	1,007	1,008	1,008	1,048	961	984	1,424
Parking violations	424	553	227	623	341	217	125	303	269	150
Citations	4,919	3,635	3,004	3,184	2,570	1,981	1,852	2,125	2,125	1,979
Fire/EMS										
Fire calls	64	65	71	55	45	68	77	227	61	71
EMS calls	1,965	2,766	2,672	3,291	3,377	3,518	3,852	3,970	4,016	3,998
False alarms	148	185	151	141	195	199	223	247	201	188
Culture/recreation										
Community center attendance	14,395	14,316	12,767	13,607	13,211	13,695	25,881	32,328	33,980	31,641
Leagues	10	10	11	13	12	9	7	7	7	8
Library-circulation	286,672	290,703	303,567	287,679	287,558	287,797	264,140	246,149	229,706	233,973
Library-materials	119,160	106,762	110,582	101,285	100,734	92,341	99,715	96,242	95,289	96,594
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,609	2,644	2,679	2,707	2,602	2,513	2,525	2,493	2,405	2,839
Sewer										
Annual average daily flow (thousands of gallons)	1,932	1,874	2,115	2,030	1,870	1,950	2,140	2,070	1,970	2,100
Golf Course										
Rounds of golf played	55,136	55,104	56,984	58,535 *	40,320	48,091	47,194	47,184	44,317	39,311

\* Golf Course closed for renovations from June through September 2014.

Source: City Departments

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function/Program</b>										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	3	3	3
Transportation										
Streets paved	92.8	92.8	93.0	93.0	95.5	95.5	96.6	107.0	118	118.4
Streets unpaved	1.2	1.2	1.0	1.0	1.0	1.0	1.0	4.8	3.5	3.6
Culture/recreation										
Parks acreage	430.39	430.39	430.39	431.39	435.56	435.56	435.56	435.56	435.56	435.56
Playgrounds	16	18	18	18	18	18	19	19	19	19
Baseball/softball fields	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation centers	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water/Sewer										
Water mains/miles	160	160	160	160	160	146	157	168	175	180.2
Sanitary sewer mains/miles	72.0	72.0	84.0	84.0	84.0	88.8	93.7	101.0	102.7	104.2
Treatment daily capacity	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	6 mgd
Golf Course										
Number of holes	18	18	18	18	18	18	18	18	18	18
Marina										
Boat slips	19	19	19	19	19	19	19	19	21	21

Sources: City Departments

***REPORTS OF INDEPENDENT AUDITORS***



**CITY OF TARPON SPRINGS, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended September 30, 2019**

<b>Federal Agency/Program Title</b>	<b>CFDA Number</b>	<b>Federal or Pass-through Grant Number</b>	<b>Expenditures</b>
<b><u>Federal Awards</u></b>			
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
<i>Passed-Through State of Florida, Florida Division of Emergency Management</i>			
<i>Executive Office of the Governor (Presidentially Declared Disasters)</i>			
Public Assistance Program			
Hurricane Irma	97.036	FEMA-4337-DE-FL	\$ 1,237,990
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Grants Programs Directorate			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00664	257,687
U.S. National Endowment for the Arts			
Florida Humanities Council			
Art Works - Folk & Traditional Arts	45.024	1829556-55-18	10,700
U. S. Department of Justice			
Equitable Sharing Agreement	16.000	FL0521800	33,698
Office of Justice Programs			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2019-JAGD-PINE-3-N3-052	4,706
Bureau of Justice Assistance			
Bulletproof Vests Partnership Program	16.607		3,294
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>1,548,075</u></b>

**City of Tarpon Springs, Florida**

**Notes to Schedule of Expenditures of Federal Awards**

**For the year ended September 30, 2019**

**1. General**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal awards programs of the City of Tarpon Springs for the year ended September 30, 2019. Federal awards received directly from federal as well as those passed through other governmental agencies are included in the Schedule.

**2. Basis of Accounting**

The City's basis of accounting is further described in Note 1 of the accompanying basic financial statements. The accompanying Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in governmental funds, and the accrual basis of accounting for expenditures in proprietary funds. Under the modified accrual basis, revenue is recognized if it is both measurable and available for use during the fiscal year and expenditures are recognized in the period liabilities are incurred, if measurable. Under the accrual basis, expenditures are recognized in the period liabilities are incurred.

**3. Indirect Cost rate**

Indirect cost rate is dictated by its federal and state contract terms. The 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance is not in effect nor is available under its contracts.



Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Tarpon Springs, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2019.

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

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this section. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the basic financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 25, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Our report on the basic financial statements included disclosures regarding our reference to the reports of other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Cont.)**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
March 25, 2020

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**Section I - Summary of Independent Auditor's Results**

**Financial Statements**

**Type of Auditor's Report Issued:**

**Unmodified Opinion**

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?                      ☐ Yes                      ☒ No

**Federal Awards**

Internal control over major programs:

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

Type of report issued on compliance for major federal program:

**Unmodified Opinion**

Any audit findings disclosed that are required to be reported in  
accordance with Section 200.516 of the Uniform Guidance?                      ☐ Yes                      ☒ No

**Identification of Major Programs:**

**CFDA Numbers**

**Name of Federal Program or Cluster**

97.036

Disaster Grants – Public Assistance

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

\$750,000

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



**CITY OF TARPON SPRINGS, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***

**For the Year Ended September 30, 2019**

**Section II - Findings Related to the Financial Statement Audit, as required to be reported in accordance with *Government Auditing Standards***

No matters were reported.

**Section III - Federal Awards Findings and Questioned Costs Section reported in accordance with the Uniform Guidance**

No matters were reported.

**Section IV - Prior Year Audit Findings**

No matters were reported.



Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the City) as of and for fiscal year ended September 30, 2019, and the related notes to the financial statement, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2020.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The Honorable Mayor and  
Members of the City Commission  
City of Tarpon Springs, 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 25, 2020.

### **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.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
March 25, 2020



Certified Public Accountants

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### Report on Financial Statements

We have audited the financial statements of the City of Tarpon Springs, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 25, 2020.

### Auditor's Responsibility

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 25, 2020, 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. In connection with the preceding audit, there were no findings or recommendations.

### Official Title and Legal Authority

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

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

### **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.

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, we did not have any such recommendations.

### **Additional Matters**

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 Commission members, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
March 25, 2020



## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Tarpon Springs, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2019. 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, 2019.

**MSL, P.A.**

Certified Public Accountants

Tampa, Florida  
March 25, 2020



