

*City of Tarpon Springs,  
Florida*

*Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2018*

***CITY OF TARPON SPRINGS, FLORIDA***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***For the Fiscal Year Ended September 30, 2018***

***MAYOR AND BOARD OF COMMISSIONERS***

***Chrisostomo Alahouzos, Mayor***

***David Banther, Vice-Mayor***

***Rea Sieber, Commissioner***

***Susan Miccio-Kikta, Commissioner***

***Jacob Karr, 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, 2018**

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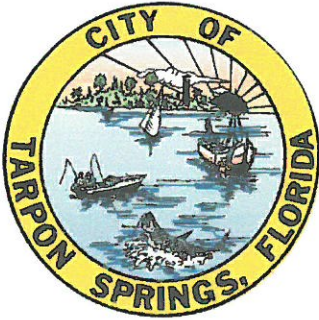
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## ***INTRODUCTORY SECTION***

***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 25, 2019

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, 2018.

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 Moore Stephens Lovelace, 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, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, 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, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, (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 25,455. 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 2019 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 2019. 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 2019 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, 2018 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 2018, the average cash/investment pool balance was \$42,109,580 and the total annual earnings net of all bank charges was \$537,452 giving an average rate of return of 1.28% on the average balance.

**Debt Administration.** At September 30, 2018, the City had total outstanding bonds payable of \$32,455,000 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, 2018 relative to property values at January 1, 2018 (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, 2018 decreased to \$174,170, insurance premiums increased which caused a decrease in the change in net position of \$171,072 with a corresponding decrease in total Net Position to \$1,451,200 as of September 30, 2018. 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 \$803,955, \$281,834 and \$776,966 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, 2017. This was the twenty-seventh 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.

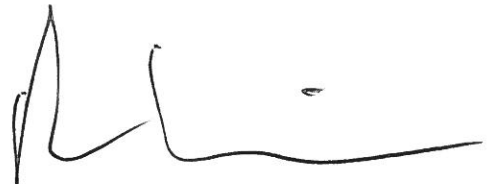
In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, 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, Moore Stephens Lovelace, 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

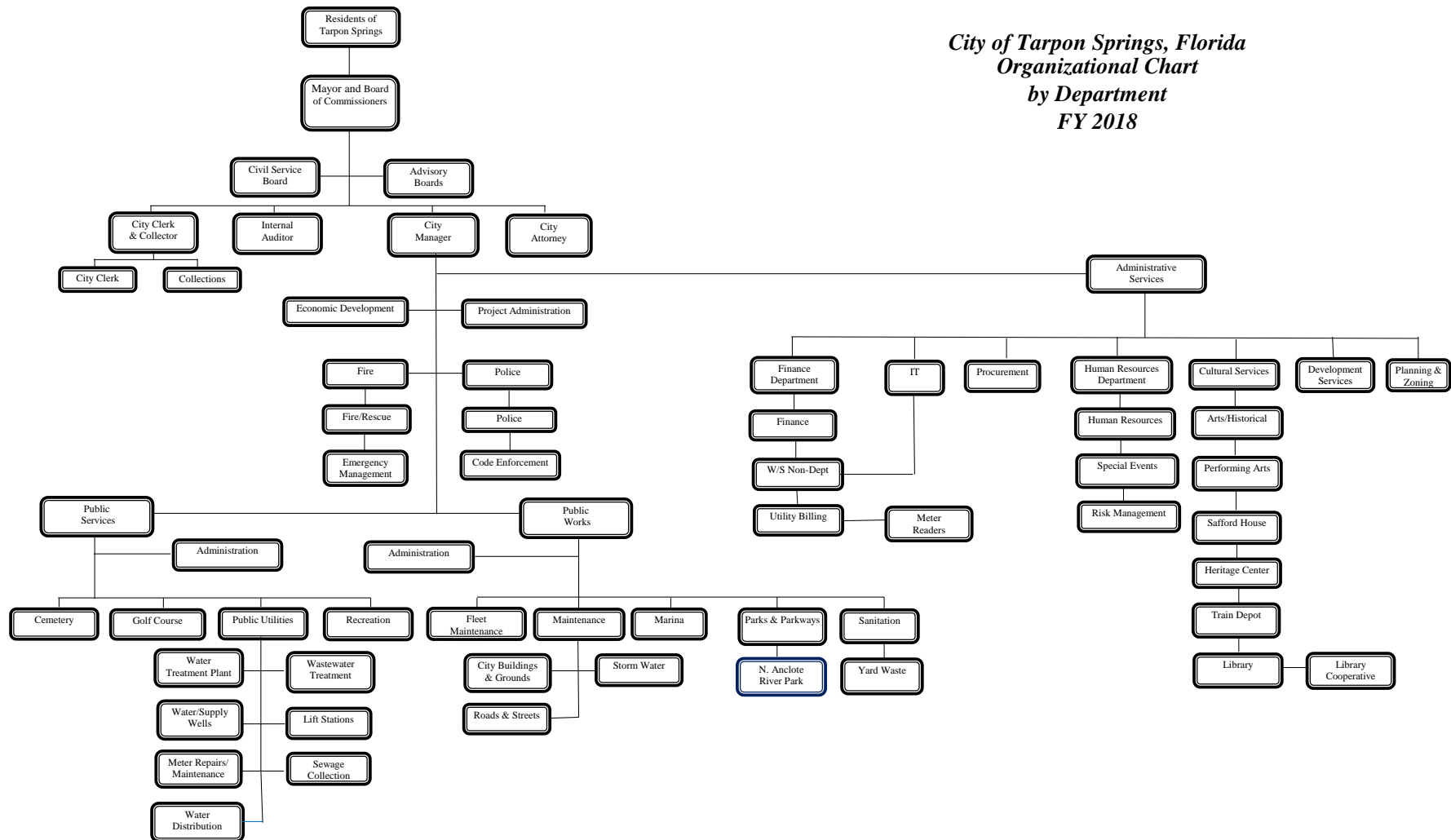
**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# **ORGANIZATIONAL CHART**

*City of Tarpon Springs, Florida  
Organizational Chart  
by Department  
FY 2018*



***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***





Certified Public Accountants

## 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 year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, 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.

### *Emphasis-of-Matter – Change in Accounting Principle*

As discussed in Note IV. H to the financial statements, in the fiscal year ended September 30, 2018, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASBS 75, the City reported a restatement for the change in accounting principle as of October 1, 2017. Our opinions are not modified with respect to this matter.

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 20, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

Tampa, Florida  
March 20, 2019



## MANAGEMENT'S DISCUSSION AND ANALYSIS

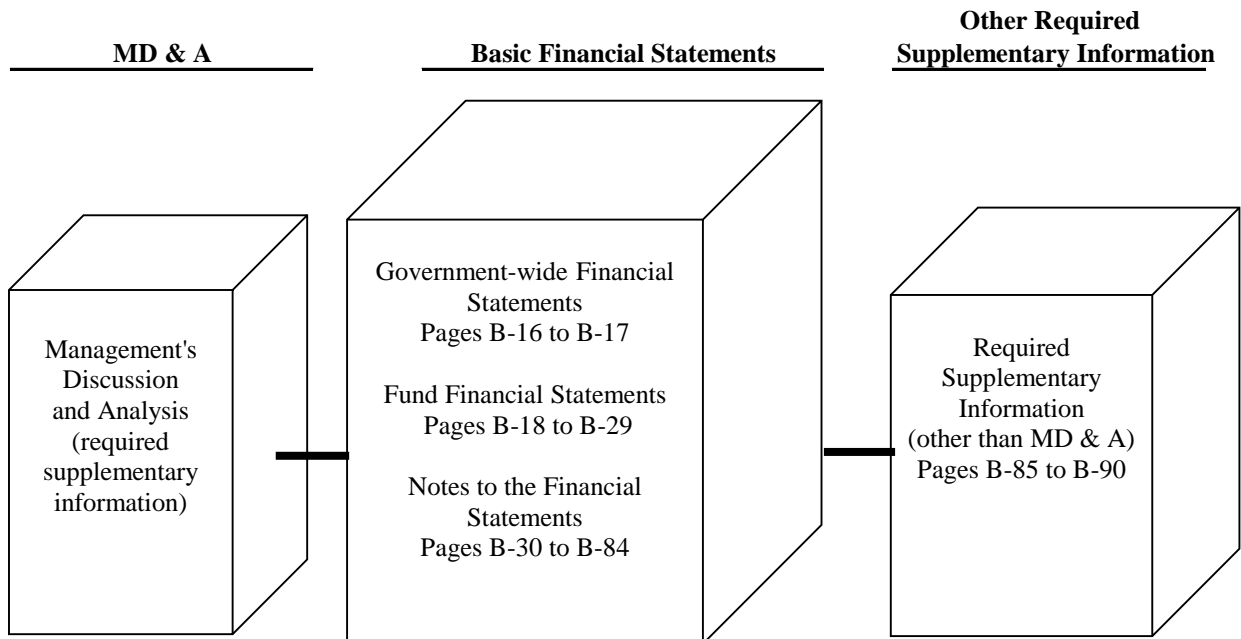
As management of the City of Tarpon Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction 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 \$147,320,429 (net position). Of this amount, \$17,776,306 (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 \$677,582.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of 22,762,447, a decrease of \$119,742 in comparison with the prior year. The portion of this total amount, \$8,834,948, 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 \$8,834,948, or 37% of the total general fund expenditures.
- The City's total debt decreased by \$880,000 (2%) 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 \$32,455,000.

### 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-84 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-85 to B-90 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 \$147,320,429 at the close of fiscal year September 30, 2018.

By far the largest portion of the City's net position (77%) 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	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and other assets	\$ 26,130,417	\$ 25,770,225	\$ 19,651,613	\$ 20,715,510	\$ 45,782,030	\$ 46,485,735
Capital assets	52,391,186	51,456,378	94,477,711	92,761,821	146,868,897	144,218,199
Total assets	<u>78,521,603</u>	<u>77,226,603</u>	<u>114,129,324</u>	<u>113,477,331</u>	<u>192,650,927</u>	<u>190,703,934</u>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows of Resources	<u>1,446,695</u>	<u>1,910,545</u>	<u>33,372</u>	<u>-</u>	<u>1,480,067</u>	<u>1,910,545</u>
<b>Liabilities</b>						
Current and other liabilities	1,670,994	1,024,231	3,246,332	2,906,677	4,917,326	3,930,908
Long-term debt outstanding:						
Due within one year	79,365	81,438	935,795	898,775	1,015,160	980,213
Due in more than one year	6,763,954	5,620,225	32,425,895	33,260,058	39,189,849	38,880,283
Total liabilities	<u>8,514,313</u>	<u>6,725,894</u>	<u>36,608,022</u>	<u>37,065,510</u>	<u>45,122,335</u>	<u>43,791,404</u>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows of Resources	<u>1,678,714</u>	<u>1,165,471</u>	<u>9,516</u>	<u>10,761</u>	<u>1,688,230</u>	<u>1,176,232</u>
<b>Net Position</b>						
Net investment in capital assets	52,391,186	51,456,378	61,644,818	59,032,457	114,036,004	110,488,835
Restricted	9,251,886	9,695,502	6,256,233	5,402,860	15,508,119	15,098,362
Unrestricted	8,132,199	10,093,903	9,644,107	11,965,743	17,776,306	22,059,646
Total net position	<u>\$ 69,775,271</u>	<u>\$ 71,245,783</u>	<u>\$ 77,545,158</u>	<u>\$ 76,401,060</u>	<u>\$ 147,320,429</u>	<u>\$ 147,646,843</u>

FY 2017 balances have not been restated for GASB 75.

An additional portion of the City's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$17,776,306) 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 \$677,582 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	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 4,624,263	\$ 4,192,717	\$ 23,929,899	\$ 23,192,460	\$ 28,554,162	\$ 27,385,177
Operating grants and contributions	1,207,794	701,467	166,126	10,093	1,373,920	711,560
Capital grants and contributions	690,902	306,924	1,035,670	482,469	1,726,572	789,393
General revenues:						
Property taxes	8,903,816	8,286,893	-	-	8,903,816	8,286,893
Property taxes-TIF County portion	203,895	185,586	-	-	203,895	185,586
Utility taxes	3,045,339	2,963,184	-	-	3,045,339	2,963,184
Communication service taxes	937,774	919,582	-	-	937,774	919,582
Sales, gas and other taxes	4,587,353	4,404,121	-	-	4,587,353	4,404,121
Franchise fees	1,768,138	1,649,933	-	-	1,768,138	1,649,933
State revenue sharing	863,397	834,871	-	-	863,397	834,871
Investment income	208,846	207,753	148,401	153,778	357,247	361,531
Miscellaneous	344,919	209,878	-	-	344,919	209,878
Total revenues	<u>27,386,436</u>	<u>24,862,909</u>	<u>25,280,096</u>	<u>23,838,800</u>	<u>52,666,532</u>	<u>48,701,709</u>
<b>EXPENSES</b>						
Program Activities:						
Primary Government:						
Governmental Activities:						
General government	4,132,160	3,700,268	-	-	4,132,160	3,700,268
Public safety	16,234,276	14,815,058	-	-	16,234,276	14,815,058
Physical environment	1,249,625	1,203,122	-	-	1,249,625	1,203,122
Transportation	2,391,884	2,352,119	-	-	2,391,884	2,352,119
Economic environment	619,513	582,470	-	-	619,513	582,470
Culture/recreation	4,650,379	4,502,297	-	-	4,650,379	4,502,297
Business-type Activities:						
Water/Sewer	-	-	13,781,438	13,765,541	13,781,438	13,765,541
Sanitation	-	-	6,147,368	4,748,340	6,147,368	4,748,340
Storm water	-	-	1,395,324	1,322,226	1,395,324	1,322,226
Golf Course	-	-	1,269,051	1,233,795	1,269,051	1,233,795
Marina	-	-	117,932	113,877	117,932	113,877
Total expenses	<u>29,277,837</u>	<u>27,155,334</u>	<u>22,711,113</u>	<u>21,183,779</u>	<u>51,988,950</u>	<u>48,339,113</u>
Increase (decrease) in Net Position						
before Transfers	(1,891,401)	(2,292,425)	2,568,983	2,655,021	677,582	362,596
Transfers	1,416,062	1,253,344	(1,416,062)	(1,253,344)	-	-
Change in Net Position	<u>(475,339)</u>	<u>(1,039,081)</u>	<u>1,152,921</u>	<u>1,401,677</u>	<u>677,582</u>	<u>362,596</u>
Net Position - Beginning of year	71,245,783	72,284,864	76,401,060	74,999,383	147,646,843	147,284,247
Restatement of Net Position-						
Prior Period Adjustment	(995,173)	-	(8,823)	-	(1,003,996)	-
Net Position - Beginning of year Restated	<u>70,250,610</u>	<u>72,284,864</u>	<u>76,392,237</u>	<u>74,999,383</u>	<u>146,642,847</u>	<u>147,284,247</u>
Net Position - End of year	<u>\$ 69,775,271</u>	<u>\$ 71,245,783</u>	<u>\$ 77,545,158</u>	<u>\$ 76,401,060</u>	<u>\$ 147,320,429</u>	<u>\$ 147,646,843</u>

FY 2017 balances have not been restated for GASB 75.

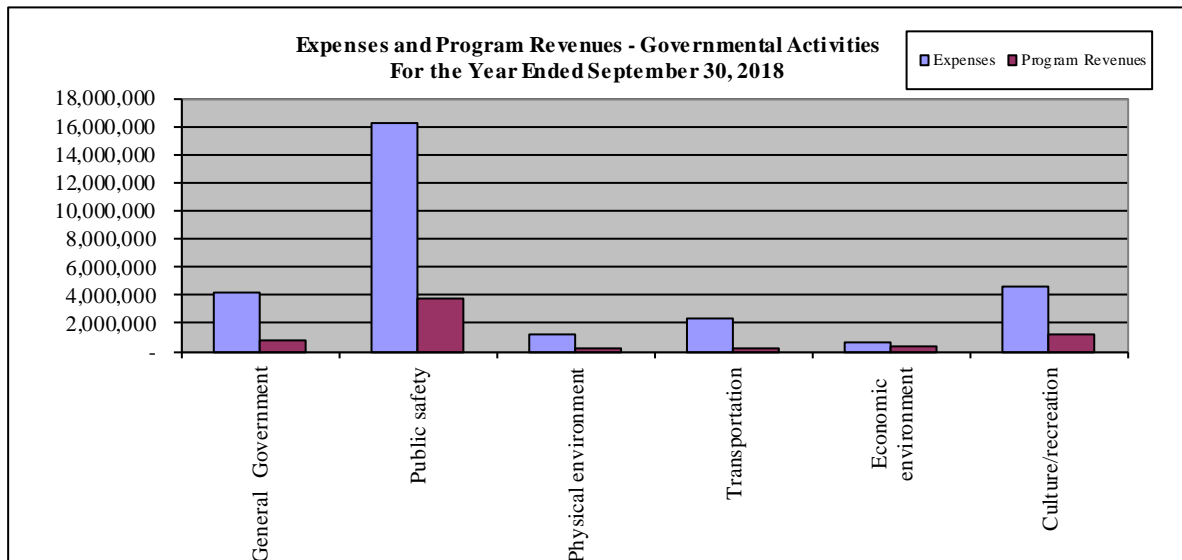
Governmental activities.

Governmental activities decreased the City's net position by \$475,339 accounting for a 70% 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:

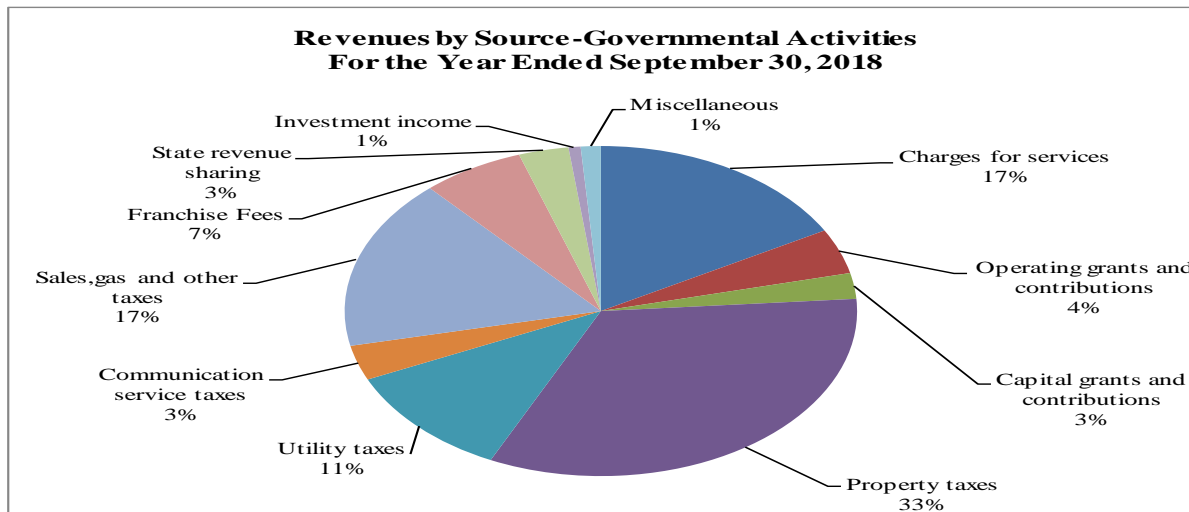
Total Governmental activity revenues increased \$2,523,527 in comparison to the previous year. The major changes were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 608,374	Taxable Assessed Value increase of 7.68%
Utility Tax Electric	\$ 66,816	Utility rate increase and new accounts
Franchise Fee Electric	\$ 106,750	Utility rate increase and new accounts
Communication Service Tax	\$ 18,192	Improved economy increase in sales tax
Half Cent Sales Tax	\$ 57,280	Improved economy increase in sales tax
One Cent Local Option Sales Tax (Penny)	\$ 137,836	Improved economy increase in sales tax
State Revenue Sharing	\$ 28,526	Improved economy increase in sales tax
Building Permits	\$ 69,246	Improved economy construction increase
Tree Bank	\$ 135,581	Three larger receipts during FY 2018
Code Enforcement Fines	\$ 168,051	Four larger fines during FY 2018
School Resource Officer	\$ 90,650	Increased funding for new positions for school safety
SAFER Grant	\$ 201,518	Fire Grant for new Paramedic positions
Impact Fees-Police,Fire,Library,Recreation		
General Government & Transportation	\$ 536,290	Improved economy construction increase-Meres Apart.
Hurricane Irma Reimbursement	\$ 313,022	Emergency Preparedness Reimbursement-Hurricane Irma
<b>Total</b>	<b>\$ 2,538,132</b>	

Total Governmental activity expenses increased \$2,122,503 in comparison to the previous year. The major changes were related to personnel cost increases, four new Paramedic positions and the recording of the new OPEB liability as required by Government Accounting Standards Board (GASB) No. 75.







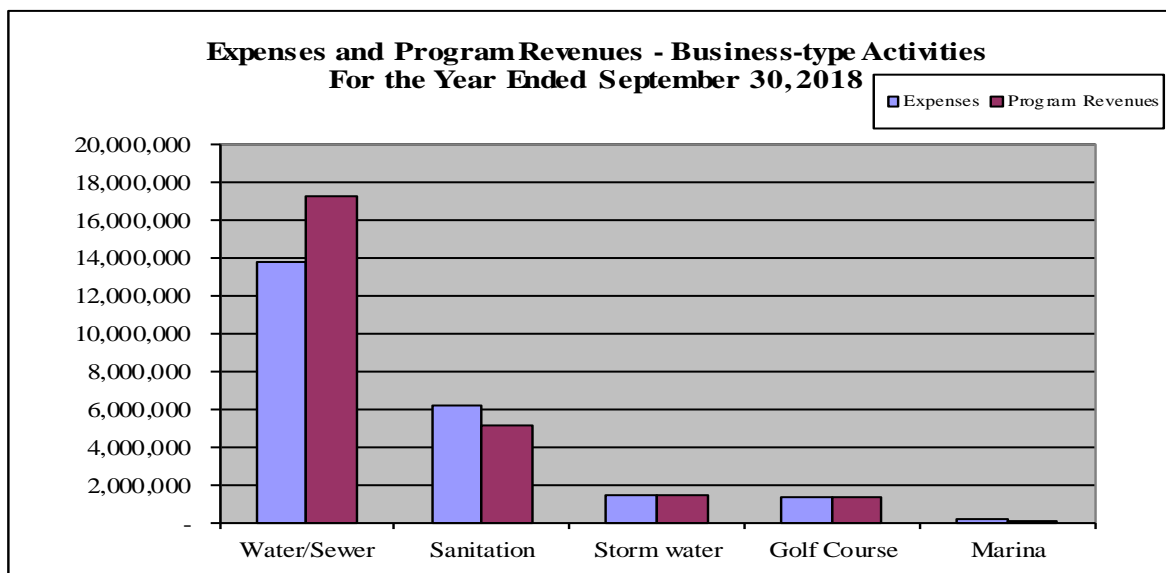
Business-type activities.

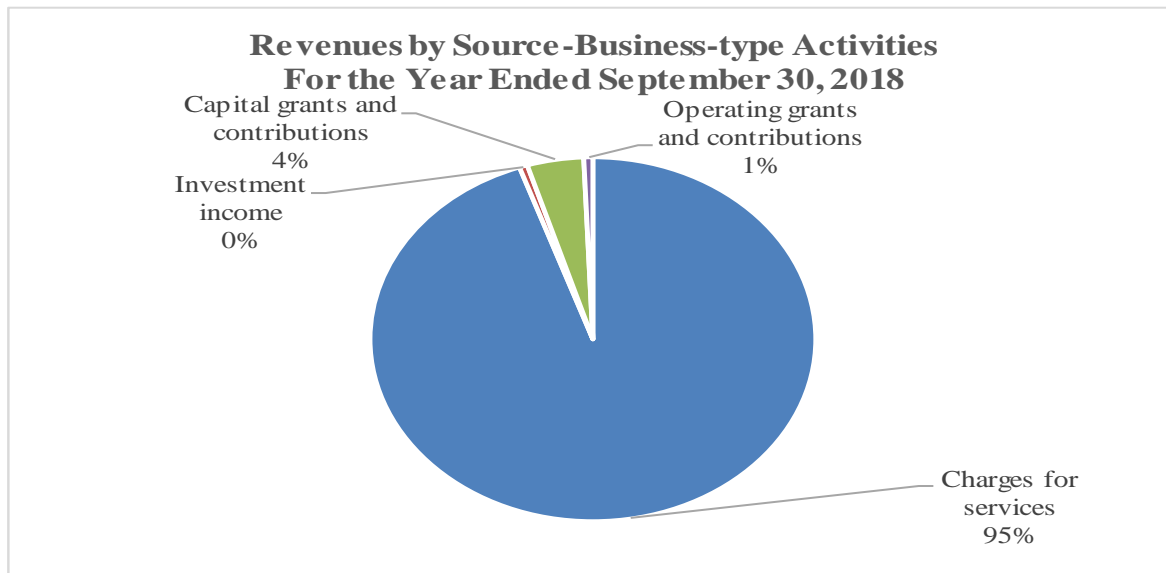
Business-type activities (enterprise funds) increased the City's net position by \$1,152,921, accounting for 170% of the total growth in the government's net position. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Business-type activity revenues increased \$1,441,296 in comparison to the previous year. The major changes were:

Revenue Type	Increase	Description
<b>Charges for Services:</b>		
Sanitation Fees	\$ 50,892	1.96% Rate Increase
Water Sales	\$ 232,537	6.75% Rate Increase
Sewer Sales	\$ 243,497	6.75% Rate Increase
<b>Capital Grants/Contributions:</b>		
Water Impact Fees	\$ 426,494	Increased Development-Mere's Apartments
Sewer Impact Fees	\$ 274,262	Increased Development-Mere's Apartments
<b>Total</b>	<b>\$ 1,227,682</b>	

Total Business-type activity expenses increased \$1,527,334 in comparison to the previous year. This increase is mostly due to the \$1.4 million of debris removal expenses from Hurricane Irma in the Sanitation Fund.





### 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 \$22,762,447, a decrease of \$119,742 in comparison with the prior year. The majority of this total amount (\$8,834,948) 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 (\$5,360,699), 2) committed for perpetual care of the cemetery (\$2,005,852), and 3) assigned for compensated absences (\$1,304,083).

#### 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 \$8,834,948, while total fund balance was \$14,178,351. 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 37% of total General Fund expenditures.

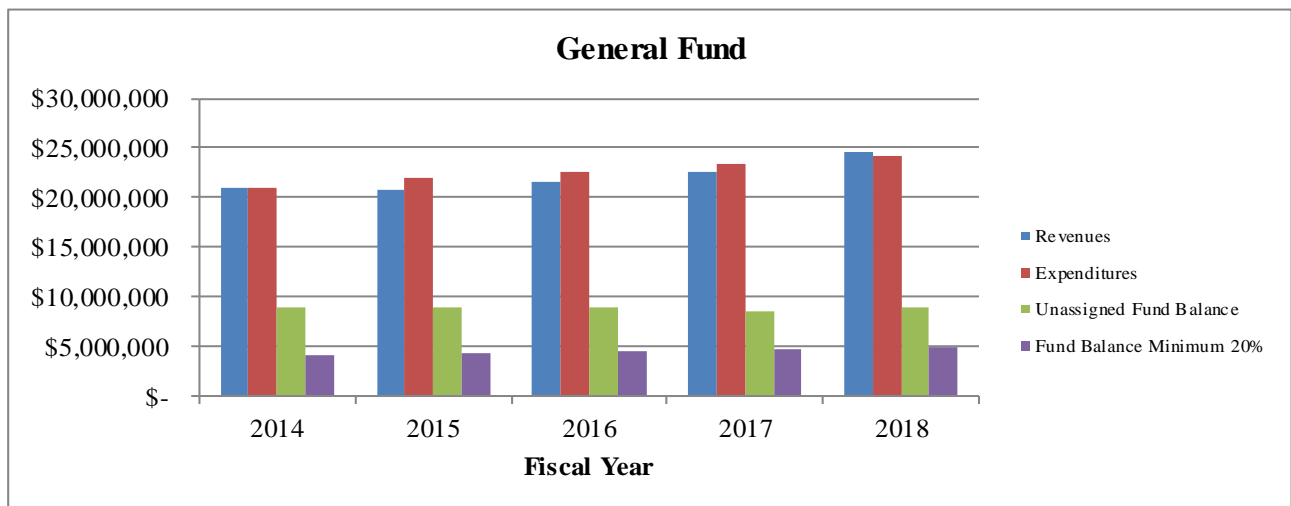
The fund balance of the City's General Fund increased by \$379,002 during the current fiscal year, an increase in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In totaled \$24,515,069, an increase of \$2,024,131 over the previous fiscal year. The major changes were:

<b>Revenue Type</b>	<b>Increase</b>	<b>Description</b>
Property Taxes	\$ 608,374	Taxable Assessed Value increase of 7.68%
Utility Tax Electric	\$ 66,816	Utility rate increase and new accounts
Franchise Fee Electric	\$ 106,750	Utility rate increase and new accounts
Communication Service Tax	\$ 18,192	Improved economy increase in sales tax
Half Cent Sales Tax	\$ 57,280	Improved economy increase in sales tax
State Revenue Sharing	\$ 28,526	Improved economy increase in sales tax
Building Permits	\$ 69,246	Improved economy construction increase
Code Enforcement Fines	\$ 168,051	Four larger fines during FY 2018
Tree Bank	\$ 135,581	Three larger receipts during FY 2018
School Resource Officer	\$ 90,650	Increased funding for new positions for school safety
Interfund Transfers	\$ 162,718	Administrative cost increase from Enterprise Funds to 6%
Hurricane Irma Reimbursement	\$ 313,022	Emergency Preparedness Reimbursement-Hurricane Irma
<b>Total</b>	<b>\$ 1,825,206</b>	

Expenditures including Transfers Out totaled \$24,136,067, an increase of \$700,795 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 decreased by \$608,350 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$569,840 an increase of \$160,803 over the previous fiscal year. Property Tax receipts (City portion) increased \$17,635 and Tax Increment Financing receipts (County portion) increased \$18,309 (due to increasing property values), the City also sold the old fire station for \$133,152.
- Expenditures were \$1,178,190, an increase of \$911,260 over the previous fiscal year. The majority of the increase 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 increased by \$37,751 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$2,539,896 a decrease of \$12,152 from the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$137,836 over the previous fiscal year. The City was also reimbursed \$62,522 for fire vehicles purchased the majority of which related to the fire truck.
- Expenditures were \$2,502,145, a decrease of \$894,856 under the previous fiscal year. The major Capital items were for, Police Vehicles, Fire Truck, Ring Street reconstruction and Hope/Athens Pedestrian improvements.

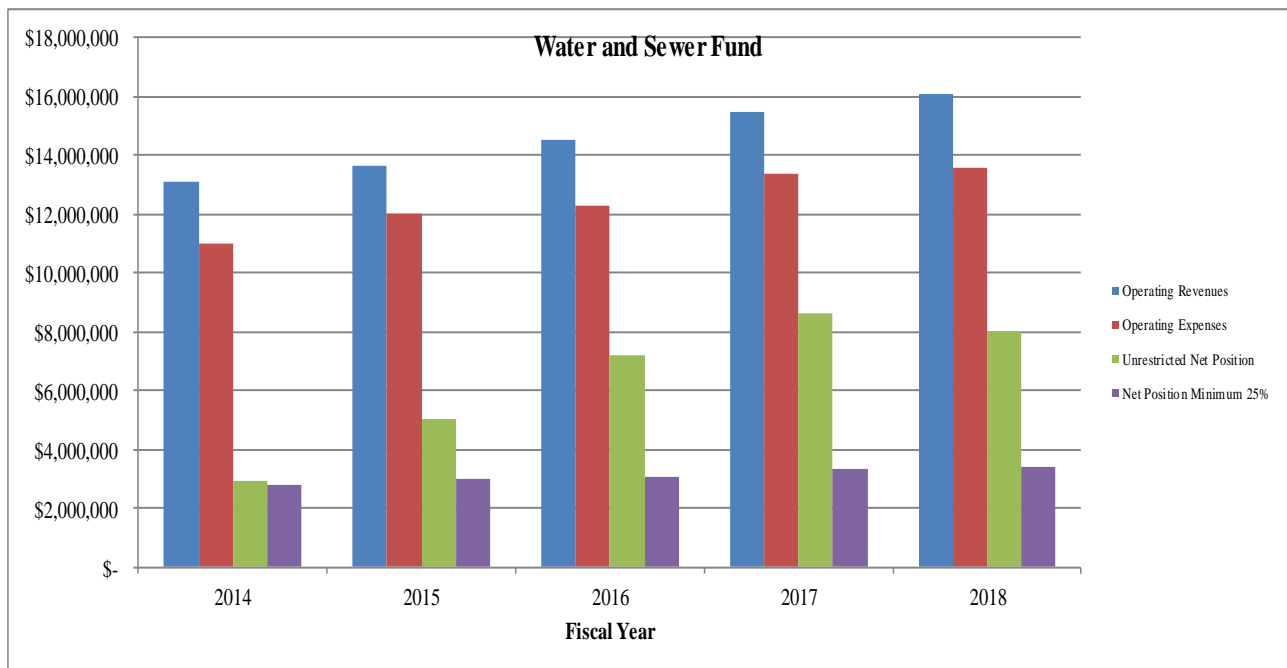
### Proprietary Funds.

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 \$7,986,761, and total growth in net position for the year was \$2,620,179, an increase over the change noted in the previous fiscal year. This year operating revenues increased \$585,869, water sales increased \$232,537 or 2.67% (6.75% rate increase), sewer sales increased \$243,497 or 4.32% (6.75% rate increase). Water use billed was down 32 million gallons or 3.5% in comparison with the previous fiscal year. Operating expenses increased \$59,397, personnel costs decreased \$82,243 due to vacant positions and utility expenses increased \$127,688 due to the increase in electricity use for the water plant.

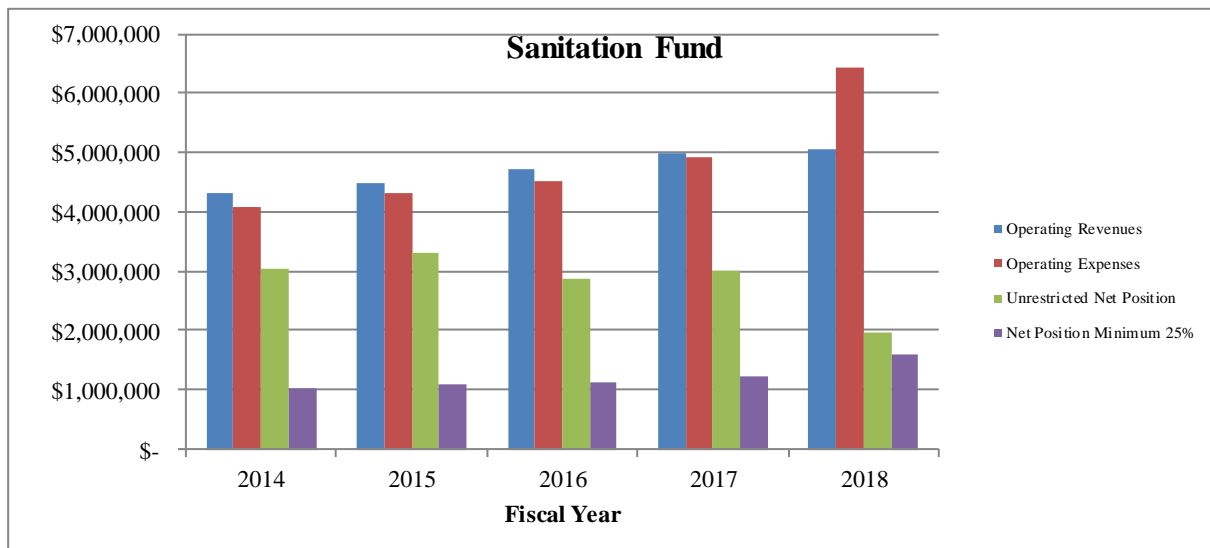
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



#### Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$1,970,035, and total loss in net position for the year was \$1,329,668, the loss is due to \$1.4 million of expenses related to Hurricane Irma debris removal of which \$1.3 million is estimated to be reimbursed. Fiscal Year 2018 was the second year of the new five year contract with the City's garbage contractor. This year operating revenues increased \$52,107, sanitation fees increased \$50,892 or 1.32% (1.96% rate increase), recycling fees increased \$8,813 or 1.56% (1.96% rate increase) and yard waste fees (not part of the garbage contract) decreased \$14,341. Operating expenses increased \$1,425,112 due to \$1.4 million related to Hurricane Irma debris removal. 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 \$1,296,028. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$196,944 for outstanding encumbrances from FY 2017 carried over to FY 2018.
- An increase of \$206,600 for outstanding donations from FY 2017 carried over to FY 2018.
- An increase of \$188,054 for Cemetery Perpetual Care expenditures.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$863,069. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$307,063 in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$181,682 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, 2018, amounts to \$146,868,897 (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 1.84% (\$2,650,698). Separately there was a 1.82% (\$934,808) increase for governmental activities and a 1.85% (\$1,715,890) increase for business-type activities.

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

Governmental activities – Fire Truck at a total cost of \$606,158, and Police vehicles \$329,029.

Business-type activities – Raw water wells, clarifier rehab and sodium hydroxide station.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land and land rights	\$ 6,395,459	\$ 5,519,629	\$ 3,459,687	\$ 3,382,051	\$ 9,855,146	\$ 8,901,680
Buildings and improvements	11,211,141	11,981,281	934,392	1,512,103	12,145,533	13,493,384
Improvements other than buildings	9,868,039	10,223,021	82,119,711	84,197,382	91,987,750	94,420,403
Machinery and equipment	3,409,535	3,033,702	2,503,941	2,353,459	5,913,476	5,387,161
Infrastructure	18,896,874	20,158,766	-	-	18,896,874	20,158,766
Total	49,781,048	50,916,399	89,017,731	91,444,995	138,798,779	142,361,394
Construction in progress	2,610,138	539,979	5,459,980	1,316,826	8,070,118	1,856,805
Total	<u>\$ 52,391,186</u>	<u>\$ 51,456,378</u>	<u>\$ 94,477,711</u>	<u>\$ 92,761,821</u>	<u>\$ 146,868,897</u>	<u>\$ 144,218,199</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	\$ 51,456,378	\$ 92,761,821	\$ 144,218,199
Additions	2,883,648	2,167,520	5,051,168
Construction in progress	2,070,159	4,143,154	6,213,313
Net Retirements	(2,327)	(4,459)	(6,786)
Depreciation	<u>(4,016,672)</u>	<u>(4,590,325)</u>	<u>(8,606,997)</u>
Ending Balance	<u>\$ 52,391,186</u>	<u>\$ 94,477,711</u>	<u>\$ 146,868,897</u>

## Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$32,832,892 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$896,472 (2.66%), principal payment and amortization of premium during the current fiscal year. Utility System Revenue Bonds, Series 2013A had a principal payment of \$880,000.

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

### Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Utility Revenue Bonds	\$ -	\$ -	\$ 32,832,892	\$ 33,729,364	\$ 32,832,892	\$ 33,729,364
Total	\$ -	\$ -	\$ 32,832,892	\$ 33,729,364	\$ 32,832,892	\$ 33,729,364

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 2018. The number of building permits pulled has increased over the previous fiscal year. 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, 2018**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,981,247	\$ 1,943,363	\$ 6,924,610
Investments	18,380,453	8,507,705	26,888,158
Receivables (net of allowance)	852,571	2,260,074	3,112,645
Due from other governments	1,353,475	119,595	1,473,070
Internal balances	330,805	(330,805)	-
Inventories	42,206	236,976	279,182
Prepaid items	189,660	131,000	320,660
Restricted assets:			
Cash and cash equivalents	-	1,889,073	1,889,073
Investments	-	4,880,233	4,880,233
Receivables	-	14,399	14,399
Capital Assets:			
Land and land rights	6,395,459	3,459,687	9,855,146
Buildings and improvements	25,225,867	2,005,150	27,231,017
Improvements other than buildings	16,943,164	123,189,482	140,132,646
Machinery and equipment	12,057,390	7,470,723	19,528,113
Infrastructure	46,872,967	-	46,872,967
Construction in progress	2,610,138	5,459,980	8,070,118
Accumulated depreciation	(57,713,799)	(47,107,311)	(104,821,110)
Total Assets	78,521,603	114,129,324	192,650,927
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to OPEB.	250,249	33,372	283,621
Deferred outflows of resources related to pension plans.	1,196,446	-	1,196,446
Total Deferred Outflows of Resources	1,446,695	33,372	1,480,067
<b>LIABILITIES</b>			
Accounts payable	812,890	860,332	1,673,222
Accrued liabilities	47,156	43,017	90,173
Contracts payable	53,839	569,495	623,334
Deposits	425,647	-	425,647
Unearned revenue	331,462	24,509	355,971
Payable from restricted assets:			
Customer deposits	-	1,748,979	1,748,979
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	915,000	915,000
Compensated absences	66,929	20,795	87,724
Claims payable	12,436	-	12,436
Due In More Than One Year:			
Bonds payable	-	31,917,892	31,917,892
Other postemployment benefits	2,006,923	267,642	2,274,565
Compensated absences	1,246,786	240,361	1,487,147
Net pension liability	3,348,511	-	3,348,511
Claims payable	161,734	-	161,734
Total Liabilities	8,514,313	36,608,022	45,122,335
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Local business tax-future year	100,590	-	100,590
Mausoleum revenue-future year	663	-	663
Sewer impacts/connections-future year	-	9,516	9,516
Deferred inflows of resources related to pension plans	1,577,461	-	1,577,461
Total Deferred Inflows of Resources	1,678,714	9,516	1,688,230
<b>NET POSITION</b>			
Net investment in capital assets	52,391,186	61,644,818	114,036,004
Restricted for :			
Capital projects - optional sales tax	3,810,447	-	3,810,447
Capital projects - impact fee programs	1,137,729	2,201,595	3,339,324
Transportation	538,578	-	538,578
CRA	123,345	-	123,345
Law enforcement programs	258,475	-	258,475
Grant programs	98,593	-	98,593
Special programs	359,134	-	359,134
Other contractual obligations	725,585	1,229,139	1,954,724
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	-	779,605	779,605
Unrestricted	8,132,199	9,644,107	17,776,306
Total Net Position	\$ 69,775,271	\$ 77,545,158	\$ 147,320,429

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, 2018**

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	\$ 4,132,160	\$ 723,489	\$ -	\$ 48,280	\$ (3,360,391)	\$ -	\$ (3,360,391)
Public safety	16,234,276	3,134,010	281,387	351,674	(12,467,205)	-	(12,467,205)
Physical environment	1,249,625	175,490	18,156	-	(1,055,979)	-	(1,055,979)
Transportation	2,391,884	-	75,715	130,934	(2,185,235)	-	(2,185,235)
Economic environment	619,513	-	313,022	-	(306,491)	-	(306,491)
Culture/recreation	4,650,379	591,274	519,514	160,014	(3,379,577)	-	(3,379,577)
Total governmental activities	<u>29,277,837</u>	<u>4,624,263</u>	<u>1,207,794</u>	<u>690,902</u>	<u>(22,754,878)</u>	<u>-</u>	<u>(22,754,878)</u>
Business-Type Activities:							
Water/Sewer	13,781,438	16,075,934	118,195	1,035,670	-	3,448,361	3,448,361
Sanitation	6,147,368	5,050,222	38,525	-	-	(1,058,621)	(1,058,621)
Storm Water	1,395,324	1,426,445	-	-	-	31,121	31,121
Golf Course	1,269,051	1,295,983	9,406	-	-	36,338	36,338
Marina	117,932	81,315	-	-	-	(36,617)	(36,617)
Total business-type activities	<u>22,711,113</u>	<u>23,929,899</u>	<u>166,126</u>	<u>1,035,670</u>	<u>-</u>	<u>2,420,582</u>	<u>2,420,582</u>
Total primary government	<u>\$ 51,988,950</u>	<u>\$ 28,554,162</u>	<u>\$ 1,373,920</u>	<u>\$ 1,726,572</u>	<u>(22,754,878)</u>	<u>2,420,582</u>	<u>(20,334,296)</u>
General Revenues:							
Taxes:							
Property taxes					8,903,816	-	8,903,816
Property taxes -Tax Increment							
Financing (TIF) - County portion					203,895	-	203,895
Utility taxes					3,045,339	-	3,045,339
Communication service taxes					937,774	-	937,774
Half-cent sales tax					1,599,644	-	1,599,644
Local option gas tax					333,801	-	333,801
Local option sales tax					2,450,847	-	2,450,847
Local business tax					141,876	-	141,876
Other taxes					61,185	-	61,185
Franchise fees					1,768,138	-	1,768,138
State revenue sharing					863,397	-	863,397
Investment income					208,846	148,401	357,247
Miscellaneous					344,919	-	344,919
Transfers					1,416,062	(1,416,062)	-
Total General Revenues					<u>22,279,539</u>	<u>(1,267,661)</u>	<u>21,011,878</u>
Change in Net Position					(475,339)	1,152,921	677,582
Net Position - Beginning					71,245,783	76,401,060	147,646,843
Restatement of Net Position due to Prior Period Adjustment					(995,173)	(8,823)	(1,003,996)
Net Position - Beginning Restated					<u>70,250,610</u>	<u>76,392,237</u>	<u>146,642,847</u>
Net Position - Ending					<u>\$ 69,775,271</u>	<u>\$ 77,545,158</u>	<u>\$ 147,320,429</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, 2018**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 345,730	\$ 1,026,283	\$ 3,350,632	\$ 4,722,645
Investments	12,740,490	263,487	2,215,945	2,176,355	17,396,277
Interest receivable	12,500	-	3,125	-	15,625
Accounts receivable - net of allowance for doubtful accounts	73,501	-	-	-	73,501
Loan receivable	200,000	-	-	-	200,000
Taxes receivable	499,194	-	-	-	499,194
Due from other funds (deficit in pooled cash)	982,404	-	-	-	982,404
Due from other governments	591,685	-	637,250	124,540	1,353,475
Advance to other fund	-	-	126,055	-	126,055
Prepaid items	180,997	913	-	2,535	184,445
Total Assets	\$ 15,280,771	\$ 610,130	\$ 4,008,658	\$ 5,654,062	\$ 25,553,621
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 360,804	\$ 10,124	\$ 144,372	\$ 288,893	\$ 804,193
Accrued liabilities	42,131	606	-	2,212	44,949
Contracts payable	-	-	53,839	-	53,839
Deposits	14,593	-	-	411,054	425,647
Advance from other fund	252,177	476,055	-	301,599	1,029,831
Unearned revenue	331,462	-	-	-	331,462
Total Liabilities	1,001,167	486,785	198,211	1,003,758	2,689,921
Deferred Inflows of Resources:					
Local business tax-future year	100,590	-	-	-	100,590
Mausoleum revenue-future year	663	-	-	-	663
Total Deferred Inflows of Resources	101,253	-	-	-	101,253
Fund Balances:					
Nonspendable:					
Prepaid items	180,997	913	-	2,535	184,445
Advance to other fund	-	-	-	-	-
Loan receivable	200,000	-	-	-	200,000
Street and sidewalk per Charter, nonexpendable	-	-	-	2,000,000	2,000,000
Restricted for:					
Donations received	196,224	-	-	-	196,224
Hospital ER	48,766	-	-	-	48,766
Capital projects - impact fee programs	-	-	-	1,137,729	1,137,729
CRA	-	122,432	-	-	122,432
Capital projects - optional sales tax	-	-	3,810,447	-	3,810,447
Transportation	-	-	-	538,578	538,578
Law enforcement programs	-	-	-	258,475	258,475
Grant programs	-	-	-	8,696	8,696
Public art program	-	-	-	297,406	297,406
Land preservation	-	-	-	61,728	61,728
Physical environment	-	-	-	87,362	87,362
Committed to:					
Cemetery	2,005,852	-	-	-	2,005,852
Tree bank	544,521	-	-	-	544,521
Right of way	148,424	-	-	-	148,424
Employee benefit cost deferral	-	-	-	257,795	257,795
Assigned to:					
Compensated absences	1,304,083	-	-	-	1,304,083
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	111,376	-	-	-	111,376
Insurance/Other	238,587	-	-	-	238,587
Library	61,331	-	-	-	61,331
Other contractual obligations	253,242	-	-	-	253,242
Unassigned:	8,834,948	-	-	-	8,834,948
Total Fund Balances	14,178,351	123,345	3,810,447	4,650,304	22,762,447
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,280,771	\$ 610,130	\$ 4,008,658	\$ 5,654,062	\$ 25,553,621

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, 2018**

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Fund balances - total governmental funds \$ 22,762,447

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	\$ 109,410,969	
Less accumulated depreciation	<u>(57,373,317)</u>	52,037,652

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.	1,196,446	
Deferred outflows of resources related to opeb.	<u>248,322</u>	1,444,768

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	(1,304,083)	
Other postemployment benefits	<u>(1,991,466)</u>	(3,295,549)

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	(3,348,511)	
Deferred inflows of resources related to pension plans	<u>(1,577,461)</u>	(4,925,972)

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

59,389

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.

1,692,536

Net position of governmental activities.	\$ <u><u>69,775,271</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, 2018**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 12,823,045	\$ 205,761	\$ 2,450,847	\$ 333,801	\$ 15,813,454
Permits and fees	2,403,248	-	-	690,902	3,094,150
Intergovernmental	3,205,706	203,895	-	293,982	3,703,583
Charges for services	3,062,722	-	62,522	243	3,125,487
Fines and forfeitures	247,770	-	-	17,588	265,358
Other	1,071,321	160,184	26,527	103,301	1,361,333
Total Revenues	<u>22,813,812</u>	<u>569,840</u>	<u>2,539,896</u>	<u>1,439,817</u>	<u>27,363,365</u>
Expenditures:					
Current:					
General Government:					
Board of commissioners	154,896	-	-	-	154,896
City manager	308,029	-	-	-	308,029
Financial administration	456,321	-	-	-	456,321
Human resources	222,446	-	-	-	222,446
Purchasing	240,105	-	-	-	240,105
Management information services	490,070	-	-	-	490,070
City attorney	272,064	-	-	-	272,064
Planning	346,701	-	-	-	346,701
City clerk	322,759	-	-	-	322,759
Projection administration	95,664	-	-	-	95,664
Non-departmental	586,884	-	-	-	586,884
	<u>3,495,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,495,939</u>
Public Safety:					
Police	7,702,888	-	-	41,114	7,744,002
Fire/ems/emergency management	5,124,106	-	-	295,539	5,419,645
Protective inspections	760,501	-	-	-	760,501
	<u>13,587,495</u>	<u>-</u>	<u>-</u>	<u>336,653</u>	<u>13,924,148</u>
Physical Environment:					
City buildings/grounds	705,959	-	-	-	705,959
Cemetery	294,573	-	-	-	294,573
Other	45,214	-	-	3,460	48,674
	<u>1,045,746</u>	<u>-</u>	<u>-</u>	<u>3,460</u>	<u>1,049,206</u>
Transportation:					
Roads and streets	1,104,129	-	-	-	1,104,129
	<u>1,104,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,104,129</u>
Economic Environment:					
Other	126,103	299,168	-	-	425,271
	<u>126,103</u>	<u>299,168</u>	<u>-</u>	<u>-</u>	<u>425,271</u>
Culture and Recreation:					
Library	1,289,343	-	-	-	1,289,343
Parks and recreation	1,698,566	-	-	-	1,698,566
Cultural	949,201	-	-	-	949,201
Other	-	-	-	22,869	22,869
	<u>3,937,110</u>	<u>-</u>	<u>-</u>	<u>22,869</u>	<u>3,959,979</u>
Capital Outlay	<u>743,546</u>	<u>879,022</u>	<u>2,502,145</u>	<u>815,784</u>	<u>4,940,497</u>
Total Expenditures	<u>24,040,068</u>	<u>1,178,190</u>	<u>2,502,145</u>	<u>1,178,766</u>	<u>28,899,169</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,226,256)</u>	<u>(608,350)</u>	<u>37,751</u>	<u>261,051</u>	<u>(1,535,804)</u>
Other Financing Sources (Uses):					
Transfers in	1,701,257	-	-	276,927	1,978,184
Transfers out	(95,999)	-	-	(466,123)	(562,122)
Total Other Financing Sources (Uses)	<u>1,605,258</u>	<u>-</u>	<u>-</u>	<u>(189,196)</u>	<u>1,416,062</u>
Net Change in Fund Balances	379,002	(608,350)	37,751	71,855	(119,742)
Fund Balances - Beginning of Year	<u>13,799,349</u>	<u>731,695</u>	<u>3,772,696</u>	<u>4,578,449</u>	<u>22,882,189</u>
Fund Balances - End 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>

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, 2018**

Net change in fund balances - total governmental funds		\$ (119,742)
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	\$ 4,940,497	
Less current year depreciation	<u>(3,964,642)</u>	975,855
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.		(2,327)
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.	(714,099)	
Deferred outflows of resources related to opeb.	<u>(41,386)</u>	(755,485)
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		(374,874)
Revenues which do not provide current financial resources and are not reported in the governmental funds.		
Current year change in accrued interest		21,419
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	(85,992)	
Net pension liability	609,469	
Deferred inflows of resources related to pension plans	<u>(527,858)</u>	(4,381)
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>(215,804)</u>
Change in net position of governmental activities.		\$ <u><u>(475,339)</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 12,791,909	\$ 12,791,909	\$ 12,823,045	\$ 31,136
Permits and fees	2,107,211	2,270,797	2,403,248	132,451
Intergovernmental	2,803,607	2,803,607	3,205,706	402,099
Charges for services	2,885,257	2,952,710	3,062,722	110,012
Fines and forfeitures	147,506	249,818	247,770	(2,048)
Other	1,072,159	1,167,698	1,071,321	(96,377)
Total Revenues	21,807,649	22,236,539	22,813,812	577,273
Expenditures:				
Current:				
General Government:				
Board of commissioners	150,980	154,975	154,896	79
City manager	305,901	308,101	308,029	72
Financial administration	512,874	487,334	456,321	31,013
Human resources	302,442	231,442	222,446	8,996
Purchasing	257,556	257,556	240,105	17,451
Management information services	492,136	492,136	490,070	2,066
City attorney	162,841	272,066	272,064	2
Planning	346,227	357,027	346,701	10,326
City clerk	328,271	328,271	322,759	5,512
Project administration	92,579	95,679	95,664	15
Non-departmental	835,884	768,566	586,884	181,682
	3,787,691	3,753,153	3,495,939	257,214
Public Safety:				
Police	7,268,601	7,695,716	7,702,888	(7,172)
Fire/ems/emergency management	4,912,311	5,136,359	5,124,106	12,253
Protective inspections	914,420	837,269	760,501	76,768
	13,095,332	13,669,344	13,587,495	81,849
Physical Environment:				
City buildings/grounds	650,325	695,301	705,959	(10,658)
Cemetery	294,241	281,253	294,573	(13,320)
Tree bank	75,000	76,897	45,214	31,683
	1,019,566	1,053,451	1,045,746	7,705
Transportation:				
Roads and streets	1,031,897	1,104,301	1,104,129	172
Economic Environment:				
Economic development	123,776	126,176	126,103	73
Culture and Recreation:				
Library	1,286,338	1,364,444	1,289,343	75,101
Parks and recreation	1,938,600	1,799,059	1,698,566	100,493
Cultural	889,319	982,600	949,201	33,399
	4,114,257	4,146,103	3,937,110	208,993
Capital Outlay	434,590	1,050,609	743,546	307,063
Total Expenditures	23,607,109	24,903,137	24,040,068	863,069
Excess of Revenues Over (Under) Expenditures	(1,799,460)	(2,666,598)	(1,226,256)	1,440,342
Other Financing Sources:				
Transfers in	1,701,208	1,701,208	1,701,257	49
Transfers out	(95,999)	(95,999)	(95,999)	-
Total Other Financing Sources	1,605,209	1,605,209	1,605,258	49
Net Change in Fund Balances	(194,251)	(1,061,389)	379,002	1,440,391
Fund Balances - Beginning of Year	13,799,349	13,799,349	13,799,349	-
Fund Balances - End of Year	\$ 13,605,098	\$ 12,737,960	\$ 14,178,351	\$ 1,440,391

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 206,231	\$ 206,231	\$ 205,761	\$ (470)
Intergovernmental	203,548	203,548	203,895	347
Other	22,878	22,878	160,184	137,306
Total Revenues	432,657	432,657	569,840	137,183
Expenditures:				
Current:				
Economic Environment:				
Other	237,627	368,162	299,168	68,994
Capital Outlay	195,030	1,018,467	879,022	139,445
Total Expenditures	432,657	1,386,629	1,178,190	208,439
Other Financing Sources:				
Issuance of debt	-	350,000	-	(350,000)
Total Other Financing Sources	-	350,000	-	(350,000)
Net Change in Fund Balances	-	(603,972)	(608,350)	(4,378)
Fund Balances - Beginning of Year	731,695	731,695	731,695	-
Fund Balances - End of Year	\$ 731,695	\$ 127,723	\$ 123,345	\$ (4,378)

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, 2018**

	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	\$ 485,274	\$ 1,208,903	\$ 249,186	\$ 1,943,363	\$ 258,602
Investments	1,481,956	6,269,493	756,256	8,507,705	984,176
Receivables:					
Interest	6,920	75,013	5,062	86,995	4,862
Accounts - billed (net)	367,472	930,511	104,421	1,402,404	-
Accounts - unbilled	165,692	547,563	57,420	770,675	-
Due from other governments	38,525	81,070	-	119,595	-
Advance to other fund	511,163	350,000	-	861,163	252,177
Inventories	-	218,134	18,842	236,976	42,206
Prepaid items	10,777	103,200	17,023	131,000	5,215
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	26,593	57,693	-	84,286	-
Customer deposits-investments	536,985	1,125,208	-	1,662,193	-
Total Current Assets	3,631,357	10,966,788	1,208,210	15,806,355	1,547,238
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	1,804,172	-	1,804,172	-
Construction fund	-	615	-	615	-
Investments:					
Impact fees	-	392,541	-	392,541	-
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	779,605	-	779,605	-
Receivables:					
Accrued interest	-	9,881	-	9,881	-
Accounts receivable - billed (net)	-	4,518	-	4,518	-
Capital Assets:					
Land and land rights	421,435	2,566,730	471,522	3,459,687	-
Buildings and improvements	91,593	1,402,832	510,725	2,005,150	44,756
Improvements other than buildings	125,237	117,308,050	5,756,195	123,189,482	522,474
Machinery and equipment	761,182	4,441,689	2,267,852	7,470,723	126,786
Accumulated depreciation	(558,327)	(42,690,243)	(3,858,741)	(47,107,311)	(340,482)
Construction in progress	22,377	4,681,664	755,939	5,459,980	-
Total Non-Current Assets	863,497	92,747,948	5,903,492	99,514,937	353,534
Total Assets	4,494,854	103,714,736	7,111,702	115,321,292	1,900,772
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	3,063	24,947	5,362	33,372	1,927
Total Deferred Outflows of Resources	3,063	24,947	5,362	33,372	1,927
LIABILITIES					
Current Liabilities:					
Accounts payable	105,082	594,236	161,014	860,332	8,697
Accrued liabilities	3,865	32,906	6,246	43,017	2,207
Contracts payable	429,294	103,962	36,239	569,495	-
Due to other fund (deficit in pooled cash)	-	-	982,404	982,404	-
Advance from other fund	-	-	209,564	209,564	-
Bonds payable	-	915,000	-	915,000	-
Claims payable	-	-	-	-	12,436
Compensated absences	1,472	17,331	1,992	20,795	3,121
Unearned revenue	-	7,144	17,365	24,509	-
Current Liabilities (payable from restricted assets):					
Customer deposits	563,578	1,182,901	2,500	1,748,979	-
Total Current Liabilities	1,103,291	2,853,480	1,417,324	5,374,095	26,461
Non-Current Liabilities:					
Bonds payable	-	31,917,892	-	31,917,892	-
Claims payable	-	-	-	-	161,734
Other postemployment benefits	24,567	200,071	43,004	267,642	15,457
Compensated absences	14,587	195,706	30,068	240,361	6,511
Total Non-Current Liabilities	39,154	32,313,669	73,072	32,425,895	183,702
Total Liabilities	1,142,445	35,167,149	1,490,396	37,799,990	210,163
DEFERRED INFLOWS OF RESOURCES					
Sewer impacts/connections-future year	-	9,516	-	9,516	-
Total Deferred Inflows of Resources	-	9,516	-	9,516	-
NET POSITION					
Net investment in capital assets	863,497	54,877,829	5,903,492	61,644,818	353,534
Restricted for:					
Revenue bond reserve requirements	-	2,045,894	-	2,045,894	-
Revenue bond renewal and replacement requirements	-	779,605	-	779,605	-
Capital projects - impact fee program	-	2,201,595	-	2,201,595	-
Other contractual obligations	521,940	671,334	35,865	1,229,139	299,598
Unrestricted	1,970,035	7,986,761	(312,689)	9,644,107	1,039,404
Total Net Position	\$ 3,355,472	\$ 68,563,018	\$ 5,626,668	\$ 77,545,158	\$ 1,692,536

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, 2018**

	Business-type Activities				
	Enterprise Funds				Governmental
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	Activities - Internal Service Funds
Operating Revenues:					
Charges for services	\$ 5,044,685	\$ 15,796,526	\$ 2,798,409	\$ 23,639,620	\$ 1,758,565
Other	5,537	260,763	4,533	270,833	-
Total Operating Revenues	5,050,222	16,057,289	2,802,942	23,910,453	1,758,565
Operating Expenses:					
Personnel services	549,073	4,635,067	982,333	6,166,473	304,314
Contractual services	5,404,631	698,326	938,672	7,041,629	49,150
Supplies	22,808	1,157,714	244,076	1,424,598	420,597
Repairs and maintenance	42,798	844,506	121,364	1,008,668	440,605
Utilities	5,291	1,228,680	65,597	1,299,568	1,179
Claims	-	-	-	-	97,473
Insurance	-	-	-	-	610,673
Depreciation	116,666	4,043,394	430,265	4,590,325	52,030
Total Operating Expenses	6,141,267	12,607,687	2,782,307	21,531,261	1,976,021
Operating Income (Loss)	(1,091,045)	3,449,602	20,635	2,379,192	(217,456)
Non-Operating Revenues (Expenses):					
Investment income	36,661	191,694	16,022	244,377	17,188
Net change in fair value of investments	(16,152)	(70,389)	(9,435)	(95,976)	(15,536)
Intergovernmental grants	38,525	118,195	9,406	166,126	-
Interest expense	(5,955)	(1,173,751)	-	(1,179,706)	-
Amortization of bond premium	-	16,472	-	16,472	-
Other	(146)	2,173	801	2,828	-
Total Non-Operating Revenues (Expenses)	52,933	(915,606)	16,794	(845,879)	1,652
Income (Loss) before Contributions and Transfers	(1,038,112)	2,533,996	37,429	1,533,313	(215,804)
Capital grants and contributions	-	1,035,670	-	1,035,670	-
Transfers out	(291,556)	(949,487)	(175,019)	(1,416,062)	-
Total Capital Grants, Contributions and Transfers Out	(291,556)	86,183	(175,019)	(380,392)	-
Change in Net Position	(1,329,668)	2,620,179	(137,590)	1,152,921	(215,804)
Net Position - Beginning of Year	4,680,580	65,954,709	5,765,771	76,401,060	1,904,198
Restatement of Net Position due to Prior Period Adjustment	4,560	(11,870)	(1,513)	(8,823)	4,142
Net Position - Beginning of Year-Restated	4,685,140	65,942,839	5,764,258	76,392,237	1,908,340
Net Position - End of Year	\$ 3,355,472	\$ 68,563,018	\$ 5,626,668	\$ 77,545,158	\$ 1,692,536

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, 2018**

	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	\$ 5,016,955	\$ 15,945,554	\$ 2,788,110	\$ 23,750,619	\$ -
Cash payments to suppliers	(5,396,850)	(3,775,351)	(1,304,834)	(10,477,035)	(1,626,793)
Cash payments to employees	(530,257)	(4,605,384)	(970,483)	(6,106,124)	(300,367)
Cash received from other funds	-	-	-	-	1,757,472
Other	(146)	2,173	801	2,828	-
Net cash provided (used) by operating activities	(910,298)	7,566,992	513,594	7,170,288	(169,688)
Cash flows from noncapital financing activities:					
Transfers out	(291,556)	(949,487)	(175,019)	(1,416,062)	-
Intergovernmental grants	38,525	118,195	9,406	166,126	-
Interest paid	(5,955)	(12,188)	-	(18,143)	-
Advance to other fund	196,951	(350,000)	-	(153,049)	93,709
Advance from other fund	-	-	(37,742)	(37,742)	-
Payment of cash on loans to/from other funds	-	-	31,621	31,621	-
Net cash provided (used) by noncapital financing activities	(62,035)	(1,193,480)	(171,734)	(1,427,249)	93,709
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(880,000)	-	(880,000)	-
Interest payments on debt	-	(1,161,563)	-	(1,161,563)	-
Disposal of capital assets	-	4,459	-	4,459	-
Acquisition and construction of capital assets	(39,586)	(5,346,447)	(924,641)	(6,310,674)	(13,310)
Contributed capital - impact fees	-	1,035,670	-	1,035,670	-
Net cash used for capital and related financing activities	(39,586)	(6,347,881)	(924,641)	(7,312,108)	(13,310)
Cash flows from investing activities:					
Interest on investments	36,661	191,694	16,022	244,377	17,188
Proceeds of investment sales & maturities	200,000	3,847,614	810,258	4,857,872	500,000
Purchase of investments	(662,754)	(8,815,050)	(765,982)	(10,243,786)	(500,000)
Net cash provided (used) by investing activities	(426,093)	(4,775,742)	60,298	(5,141,537)	17,188
Net decrease in cash and cash equivalents	(1,438,012)	(4,750,111)	(522,483)	(6,710,606)	(72,101)
Cash and cash equivalents at beginning of year	1,949,879	7,821,494	771,669	10,543,042	330,703
Cash and cash equivalents at end of year	\$ 511,867	\$ 3,071,383	\$ 249,186	\$ 3,832,436	\$ 258,602
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 485,274	\$ 1,208,903	\$ 249,186	\$ 1,943,363	\$ 258,602
Restricted cash and cash equivalents - current:					
Customer deposits	26,593	57,693	-	84,286	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	1,804,172	-	1,804,172	-
Construction fund	-	615	-	615	-
	\$ 511,867	\$ 3,071,383	\$ 249,186	\$ 3,832,436	\$ 258,602

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, 2018**

	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)	\$ (1,091,045)	\$ 3,449,602	\$ 20,635	\$ 2,379,192	\$ (217,456)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	(146)	2,173	801	2,828	-
Depreciation expense	116,666	4,043,394	430,265	4,590,325	52,030
Change in assets and liabilities:					
Increase in accounts receivable - interest	(1,627)	(51,822)	(1,738)	(55,187)	(1,093)
(Increase) decrease in accounts receivable - billed (net)	14,116	58,689	(7,453)	65,352	-
Increase in unbilled accounts receivable	(7,231)	(36,048)	(4,928)	(48,207)	-
Increase in due from other governments	(38,525)	(81,070)	-	(119,595)	-
(Increase) decrease in inventories	-	(52,725)	5,773	(46,952)	(10,882)
(Increase) decrease in prepaid items	(702)	8,197	(507)	6,988	(407)
Decrease in deferred outflow-OPEB	511	4,158	894	5,563	321
Increase in accounts and contracts payable	66,055	168,512	59,950	294,517	4,316
Increase in accrued liabilities	1,584	1,041	590	3,215	353
Decrease in claims payable	-	-	-	-	(143)
Decrease in unavailable revenue	-	(239)	(713)	(952)	-
Increase (decrease) in customer deposits	13,325	29,891	(341)	42,875	-
Increase in other postemployment benefits	4,624	37,661	8,095	50,380	2,910
Increase (decrease) in compensated absences	12,097	(13,177)	2,271	1,191	363
Decrease in deferred inflows of resources	-	(1,245)	-	(1,245)	-
Total adjustments	180,747	4,117,390	492,959	4,791,096	47,768
Net cash provided (used) by operating activities	\$ (910,298)	\$ 7,566,992	\$ 513,594	\$ 7,170,288	\$ (169,688)

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, 2018**

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	Employee Retirement Funds
	<hr/>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,219,381
Accounts receivable	5,562
Interest receivable	<hr/> 90,509
Investments, at fair value:	
U.S. Government Securities	8,207,256
Equities Common Stock	37,118,887
Mutual Funds	10,432,334
Corporate Bonds	4,603,787
Real Estate	<hr/> 3,971,820
Total Investments	<hr/> 64,334,084
Total Assets	<hr/> 66,649,536
<b>Liabilities</b>	
Accounts payable	<hr/> 3,625
Total Liabilities	<hr/> 3,625
<b>Net Position</b>	
Restricted for Pension Benefits	\$ <hr/> <hr/> 66,645,911

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, 2018**

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	\$ 1,862,755
Plan members	533,763
State of Florida	461,759
Total Contributions	<u>2,858,277</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	4,686,855
Interest	941,890
Dividends	644,650
	<u>6,273,395</u>
Less Investment Expenses:	
Investment management fees	234,505
	<u>234,505</u>
Net Investment Income	<u>6,038,890</u>
Total Additions	<u>8,897,167</u>
Deductions:	
Benefits	3,760,884
Refunds of contributions	141,371
Administrative expense	223,845
Total Deductions	<u>4,126,100</u>
Change in Net Position	4,771,067
Net Position - Beginning of Year	<u>61,874,844</u>
Net Position - End of Year	<u><u>\$ 66,645,911</u></u>

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

**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, 2018

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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, 2018, 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, 2018**

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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, 2018

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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.

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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, 2018

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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, 2018

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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 \$1,161,563. There was no capitalized interest in Fiscal Year 2018.

#### 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, 2018

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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, 2018

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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 that were all billed in FY 2018, Grants that met the eligibility requirements, and Differences between Expected and Actual Experience in Pensions, are revenues of the subsequent year FY 2019, 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, 2018

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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 \$15,508,119 of restricted net position, of which \$6,358,486 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.



**Notes to the Financial Statements**  
**September 30, 2018**

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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, 2018

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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

**Notes to the Financial Statements**  
**September 30, 2018**

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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 appropriate and are subject to elimination upon consolidation. Services provided, deemed

Notes to the Financial Statements  
September 30, 2018

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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, 2018 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 2018.

*GASB 75 – Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* This standard is effective for fiscal year end September 30, 2018. This standard will significantly affect accounting and financial reporting by state and local governments for OPEB by requiring the immediate recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense. This standard will impact the financial accounting and reporting of the City's financial statements and require new note disclosures and required supplementary information.

*GASB 81 – Irrevocable Split-Interest Agreements.* This standard will become effective for fiscal year end September 30, 2018. This standard improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This standard will not impact the City's financial statements.

*GASB 85 – Omnibus 2017.* This standard will become effective for fiscal year end September 30, 2018. This standard addresses practice issues that have been identified during implementation and application of certain GASB Statements. This standard addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. This standard is not expected to materially impact the City's financial statements.

*GASB 86 – Certain Debt Extinguishments.* This standard will become effective for fiscal year end September 30, 2018. This standard provides guidance for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This standard also requires that prepaid insurance related to extinguished debt be included in the net carrying amount of the debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt. This standard is not expected to materially impact the City's financial statements.

Notes to the Financial Statements  
September 30, 2018

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**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 2018, but had immaterial financial statement impact.

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

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

1. The City Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is approved by the Commission through the passage of a resolution.
4. All budget transfers between departments and all budget amendments must be approved by the Commission. The City Manager is authorized to transfer budgeted amounts within a department of a fund. The legal level of budgetary control per the city charter is the department level. During fiscal 2018, 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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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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, 2018 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.

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 \$400,160. 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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### 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 \$15,060,484 which consisted of Checking accounts \$3,023,215, BankUnited Public Funds Savings \$3,981,283, and Certificate of Deposits \$8,055,986.

###### 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, 2018 is 1.85%. During Fiscal Year 2018, the average

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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cash/investment pool balance was \$42,109,580 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$537,452 (not including bond/debt service earnings) giving an average rate of return of 1.28% on the average balance.

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

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

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

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

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

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

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

Investments are held by the City’s/Funds’ custodians, trust companies having trust powers in the State of Florida. Investments in the Fund are reported at fair value. Level 2 hierarchy 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, 2018

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

Cash and Cash Equivalents and Investments	Maturity/ WAM	Fair Value	Rating	Rating Agency	Hierarchy Level
Cash and Cash Equivalents:					
Cash on Hand		\$ 108,103			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		2,774,339			
Bond Proceeds		615			
		<u>2,774,954</u>			
Bank of America - Checking Account					
Operating Funds		248,261			
		<u>248,261</u>			
Public Funds Savings Accounts:					
BankUnited		3,981,283			
		<u>3,981,283</u>			
State Board of Administration (Florida Prime)					
Plan A	33 days	151	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		<u>151</u>			
Florida Municipal Investment Trust -					
High Quality Government Fund	0.70	145,887	AAAf/S1	Fitch	2
1-3 Year High Quality Bond Fund	1.50	508,021	AAAf/S2	Fitch	2
Intermediate High Quality Bond Fund	4.30	1,018,964	AAAf/S3	Fitch	2
Total Florida Municipal Investment Trust		<u>1,672,872</u>			
Total Cash and Cash Equivalents		<u>8,785,624</u>			
Investments:					
Certificate of Deposit - BankUnited	12/15/2018	4,000,000	n/a		n/a
Certificate of Deposit - BankUnited	8/9/2019	2,027,993	n/a		n/a
Certificate of Deposit - BankUnited	8/29/2019	2,027,993	n/a		n/a
Federal Home Loan Mortgage Corporation	10/29/2018	999,134	AA+	S & P	2
Federal Farm Credit Bank Note	3/29/2019	1,987,692	AA+	S & P	1
Federal Home Loan Mortgage Corporation	3/29/2019	994,277	AA+	S & P	2
Federal Home Loan Mortgage Corporation	9/27/2019	1,994,656	AA+	S & P	2
Federal Home Loan Mortgage Corporation	12/30/2019	1,489,113	AA+	S & P	2
Federal Farm Credit Bank Note	1/6/2020	1,975,608	AA+	S & P	1
Federal Home Loan Bank Note	4/27/2020	1,475,815	AA+	S & P	1
Federal Home Loan Bank Note	7/30/2020	980,813	AA+	S & P	1
Federal Home Loan Mortgage Corporation	12/18/2020	1,961,096	AA+	S & P	2
Federal Home Loan Mortgage Corporation	1/26/2021	1,963,344	AA+	S & P	2
Federal Home Loan Mortgage Corporation	2/26/2021	1,980,008	AA+	S & P	2
Federal Farm Credit Bank Note	3/8/2021	2,965,557	AA+	S & P	1
Federal Home Loan Mortgage Corporation	12/28/2021	2,973,351	AA+	S & P	2
Total Investments		<u>31,796,450</u>			
Total Pooled Cash and Investments		<u>\$ 40,582,074</u>			

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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Cash and investments as of September 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position	9/30/2018
Primary Government:	
Cash and cash equivalents	\$ 6,924,610
Investments	26,888,158
Restricted assets:	
Cash and cash equivalents	1,889,073
Investments	4,880,233
Total Pooled Cash and Investments per CAFR	<u>\$ 40,582,074</u>

#### Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2018, 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, 2018, 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, 2018

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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, 2018

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	\$ 998,095	n/a	1
Investments:			
U. S. Treasuries	32,998	AAA	1
U. S. Government Agencies	579,245	AAA	1
Municipals	39,981	AAA	1
Mortgage-Backed Obligations	899,091	AAA	2
Canadian Treasury Security	106,628	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	446,930	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	805,985	A1/A2/A3	2
Domestic Corporate Bonds	851,107	Baa1/Baa2/Baa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	3,971,820	n/a	n/a
Equities Common Stock	17,955,305	n/a	1
Total Investments	<u>25,689,090</u>		
Total Managed Cash and Investments	<u>\$ 26,687,185</u>		

The real estate fund has no unfunded commitments at September 30, 2018. 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, 2018

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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	\$ 1,221,286	n/a	
Investments:			
U. S. Government Agencies	5,648,042	AAA	1
Mortgage-Backed Obligations	901,271	Not Rated	2
Domestic Corporate Bonds	270,400	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	2,229,365	A1/A2/A3	2
Equities Common Stock	19,163,582	n/a	1
Total Investments	<u>28,212,660</u>		
Total Managed Cash and Investments	<u>\$ 29,433,946</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, 2018

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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	\$ 10,432,334	n/a

#### Interest Rate Risk:

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

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2018**

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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	\$ 75,014	\$ 4,862	\$ 79,876
Accounts - billed	73,501	-	73,501
Loan	200,000	-	200,000
Taxes	499,194	-	499,194
Total receivables	\$ 847,709	\$ 4,862	\$ 852,571
Allow. for uncollectibles	-	-	-
Net total receivables	\$ 847,709	\$ 4,862	\$ 852,571

	Business-type Activities			
	Non-Major			Total
	Sanitation	Water/ Sewer	Enterprise Funds	
Interest	\$ 6,920	\$ 75,013	\$ 5,062	\$ 86,995
Accounts - billed	412,430	1,043,672	112,709	1,568,811
Accounts - unbilled	165,692	547,563	57,420	770,675
	585,042	1,666,248	175,191	2,426,481
Allow. for uncollectibles	(44,958)	(113,161)	(8,288)	(166,407)
Net total receivables	\$ 540,084	\$ 1,553,087	\$ 166,903	\$ 2,260,074

Restricted:				
Accrued interest	-	9,881	-	9,881
Accounts - billed	-	4,518	-	4,518
Total restricted receivables	\$ -	\$ 14,399	\$ -	\$ 14,399

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2018

### C. Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 5,519,629	\$ 875,830	\$ -	\$ 6,395,459
Construction in progress	539,979	2,081,002	(10,843)	2,610,138
Total capital assets, not being depreciated	<u>6,059,608</u>	<u>2,956,832</u>	<u>(10,843)</u>	<u>9,005,597</u>
Capital assets, being depreciated:				
Buildings	25,197,856	28,011	-	25,225,867
Improvements other than buildings	16,443,696	499,468	-	16,943,164
Machinery and equipment	10,887,002	1,465,807	(295,419)	12,057,390
Infrastructure	46,858,435	14,532	-	46,872,967
Total capital assets, being depreciated	<u>99,386,989</u>	<u>2,007,818</u>	<u>(295,419)</u>	<u>101,099,388</u>
less accumulated depreciation for:				
Buildings	(13,216,575)	(798,151)	-	(14,014,726)
Improvements other than buildings	(6,220,675)	(854,450)	-	(7,075,125)
Machinery and equipment	(7,853,300)	(1,087,647)	293,092	(8,647,855)
Infrastructure	(26,699,669)	(1,276,424)	-	(27,976,093)
Total accumulated depreciation	<u>(53,990,219)</u>	<u>(4,016,672)</u>	<u>293,092</u>	<u>(57,713,799)</u>
Total capital assets, being depreciated, net	45,396,770	(2,008,854)	(2,327)	43,385,589
Governmental activities capital assets, net	<u>\$ 51,456,378</u>	<u>\$ 947,978</u>	<u>\$ (13,170)</u>	<u>\$ 52,391,186</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 3,382,051	\$ 77,636	\$ -	\$ 3,459,687
Construction in progress	1,316,826	5,045,784	(902,630)	5,459,980
Total capital assets, not being depreciated	<u>4,698,877</u>	<u>5,123,420</u>	<u>(902,630)</u>	<u>8,919,667</u>
Capital assets, being depreciated:				
Buildings	2,005,150	-	-	2,005,150
Improvements other than buildings	121,971,562	1,217,920	-	123,189,482
Machinery and equipment	6,706,568	871,964	(107,809)	7,470,723
Total capital assets, being depreciated	<u>130,683,280</u>	<u>2,089,884</u>	<u>(107,809)</u>	<u>132,665,355</u>
less accumulated depreciation for:				
Buildings	(493,047)	(577,711)	-	(1,070,758)
Improvements other than buildings	(37,774,180)	(3,295,591)	-	(41,069,771)
Machinery and equipment	(4,353,109)	(717,023)	103,350	(4,966,782)
Total accumulated depreciation	<u>(42,620,336)</u>	<u>(4,590,325)</u>	<u>103,350</u>	<u>(47,107,311)</u>
Total capital assets, being depreciated, net	88,062,944	(2,500,441)	(4,459)	85,558,044
Business-type activities capital assets, net	<u>\$ 92,761,821</u>	<u>\$ 2,622,979</u>	<u>\$ (907,089)</u>	<u>\$ 94,477,711</u>



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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

Governmental activities:	
General government	\$ 477,375
Public safety	1,244,480
Physical environment	177,143
Transportation	1,260,229
Economic environment	189,180
Culture/recreation	616,235
Internal service funds	<u>52,030</u>
Total depreciation expense - governmental activities	<u>\$ 4,016,672</u>
Business-type activities:	
Sanitation	\$ 116,666
Water and Sewer	4,043,394
Stormwater	346,238
Marina	16,724
Golf Course	<u>67,303</u>
Total depreciation expense - business-type activities	<u>\$ 4,590,325</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, 2018, 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, 2018, 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, 2018

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The amounts of the reclassified balances at September 30, 2018 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 982,404	\$ -
Enterprise Fund:		
Golf Course	-	982,404
Total	<u>\$ 982,404</u>	<u>\$ 982,404</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 252,177
Capital Project Fund:		
Optional Sales Tax	126,055	-
Special Revenue Fund:		
CRA	-	476,055
Impact Fees	-	301,599
Enterprise Fund:		
Sanitation	511,163	-
Water-Sewer	350,000	
Golf Course	-	209,564
Internal Service Fund:		
Risk Management	252,177	-
Total	<u>\$ 1,239,395</u>	<u>\$ 1,239,395</u>

In Fiscal Year 2005, the one cent local option sales tax fund advanced funds to the community redevelopment agency (CRA) fund in the amount of \$2,200,465 for the purpose of providing the balance of monies required for CRA expenditures. This advance was decreased with a reimbursement of \$195,030 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid per the Interlocal Reimbursement Agreement schedule below, from CRA property tax receipts as they are collected. At September 30, 2018, the unpaid advance was \$126,055, which is included in the total advances of \$1,239,395 in the City's financial statements.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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Due Date	Amount Due
September 30, 2019	\$ 126,055
	<u>\$ 126,055</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 \$37,741 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2018, the unpaid advance was \$209,564, which is included in the total advances of \$1,239,395 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 \$93,709 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2018, the unpaid advance was \$252,177, which is included in the total advances of \$1,239,395 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 \$159,209 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2018, the unpaid advance was \$301,599, which is included in the total advances of \$1,239,395 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 noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2018, the unpaid advance was \$350,000, which is included in the total advances of \$1,239,395 in the City's financial statements.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### Interfund transfers:

	Transfer In:		
	General Fund	Non-major Governmental Funds	Total
Transfer Out:			
General Fund	\$ -	\$ 95,999	\$ 95,999
Non-major Governmental Funds	\$ 285,195	\$ 180,928	\$ 466,123
Enterprise Funds:			
Sanitation	291,556	-	291,556
Water & Sewer	949,487	-	949,487
Non-major Enterprise Funds	175,019	-	175,019
	<u>\$ 1,701,257</u>	<u>\$ 276,927</u>	<u>\$ 1,978,184</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 \$484,665 in fiscal year 2018. Included in this amount are rents of \$349,348 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, 2018

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Included in the aggregate rental income of \$484,665 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, 2018 in the amount of \$200,000.

Also included in the aggregate rental income of \$484,665 is \$41,164 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 \$265,000 at October 1, 2018 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 \$615,000 at October 1, 2018 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, 2018

\$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
2019	\$ 275,000	\$ 204,763	\$ 640,000	\$ 924,250	\$ 915,000	\$ 1,129,013
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
2024-2028	1,675,000	715,175	3,930,000	3,896,650	5,605,000	4,611,825
2029-2033	1,950,000	435,450	4,680,000	3,154,175	6,630,000	3,589,625
2034-2038	1,335,000	94,500	6,570,000	2,218,400	7,905,000	2,312,900
2039-2042	-	-	7,465,000	712,688	7,465,000	712,688
Totals	\$ 6,415,000	\$ 2,179,363	\$ 26,040,000	\$ 14,414,988	\$ 32,455,000	\$ 16,594,350

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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, 2018 are \$32,455,000, Series 2013A-1 \$6,415,000 and Series 2013A-2 \$26,040,000. Interest paid for the current year and net revenues were Series 2013A-1 \$212,713 and Series 2013A-2 \$948,850 and \$8,220,227 respectively. There was no Interest expense capitalized in Fiscal Year 2018.

Long-term liability activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated absences	\$ 1,227,360	\$ 771,534	\$ (685,179)	\$ 1,313,715	\$ 66,929
Other postemployment benefits	1,629,140	467,321	(89,538)	2,006,923	-
Net pension liability	3,957,980	-	(609,469)	3,348,511	-
Claims payable	174,313	-	(143)	174,170	12,436
Governmental activities					
Long-term liabilities	<u>\$ 6,988,793</u>	<u>\$ 1,238,855</u>	<u>\$ (1,384,329)</u>	<u>\$ 6,843,319</u>	<u>\$ 79,365</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 33,335,000	\$ -	\$ (880,000)	\$ 32,455,000	\$ 915,000
Less deferred amounts:					
For issuance premiums (discounts)	394,364	-	(16,472)	377,892	-
Net utility system revenue bonds	<u>33,729,364</u>	<u>-</u>	<u>(896,472)</u>	<u>32,832,892</u>	<u>915,000</u>
Total bonds and notes payable	33,729,364	-	(896,472)	32,832,892	915,000
Other Liabilities:					
Compensated absences	259,965	257,778	(256,587)	261,156	20,795
Other postemployment benefits	217,261	62,322	(11,941)	267,642	-
Business-type activities					
Long-term liabilities	<u>\$ 34,206,590</u>	<u>\$ 320,100</u>	<u>\$ (1,165,000)</u>	<u>\$ 33,361,690</u>	<u>\$ 935,795</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 end \$9,632 of internal service funds compensated absences are included in the above amounts.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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Compensated absences for governmental activities, are generally liquidated by the general fund with \$1,304,083. 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 \$451,798 for Fiscal Year 2018. Claims for each occurrence above \$25,000 and above \$451,798 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 \$1,029,783 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, 2018 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, 2018.

Changes in the claims liability amounts in Fiscal Years 2018 and 2017 were:

	<u>Self Insurance</u>
Balance at September 30, 2016	\$ 247,378
Current year claims and changes in estimates	(20,172)
Claim payments	<u>(52,893)</u>
Balance at September 30, 2017	174,313
Current year claims and changes in estimates	97,473
Claim payments	<u>(97,616)</u>
Balance at September 30, 2018	<u><u>\$ 174,170</u></u>



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

### **Notes to the Financial Statements September 30, 2018**

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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, 2018, 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, 2018

had expenses of \$13,496 in Fiscal Year 2018 for post-closure monitoring and maintenance at the facility.

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

The following table lists the outstanding encumbrances at September 30, 2018. 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	Internal Service Funds	Total
Encumbrances Outstanding	\$ 253,242	\$ 580,463	\$ 186,030	\$ 1,538	\$ 1,021,273

Business-Type Activities				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total
Encumbrances Outstanding	\$ 8,208	\$ 1,943,783	\$ 489,528	\$ 2,441,519

General Fund – of the amount above, \$113,748 is for cemetery expansion.

Optional Sales Tax – of the amount noted above, \$123,782 is for EOC improvements; \$165,486 is for Meres Blvd. construction; \$113,703 is for Hope/Athens pedestrian improvements.

Non-Major Governmental Funds - of the amount noted above, \$145,270 is for Spruce Street construction.

Water and Sewer – of the amount noted above, \$720,606 is for Westwinds Reclaimed; \$166,319 is for clarifier improvements at the sewage treatment plant.

Non-Major Enterprise Funds – of the amount noted above, \$177,462 is for Stormwater GIS.

During Fiscal Year 2018 and prior fiscal years, the City received revenues and contributions related to grants from Southwest Florida Water Management District, the State of Florida, the federal government and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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

Total OPEB liability	\$2,274,565
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u><u>\$2,274,565</u></u>

OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%
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*Actuarial Assumptions* – The total OPEB liability at September 30, 2018 was based on the actuarial valuation for the period October 1, 2017 to September 30, 2018. Significant methods and assumptions used for this valuation are as follows:

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

Inflation Rate	2.60%
Discount Rate	4.15%
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, 2018 was 4.15%. The discount rate used to measure the Total liability at September 30, 2017 was 3.63%. 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 Bond Buyer Go 20-Bond Municipal Bond Index rates were applied for the applicable time periods.

#### Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2017	\$ 1,846,401
Changes for the Year:	
Service cost	128,874
Interest	69,877
Changes in assumptions	13,362
Differences between expected and actual experience	317,530
Benefit payments	(101,479)
Net Changes	428,164
Balances at September 30, 2018	\$ 2,274,565

*Sensitivity of the total OPEB Liability to Changes in the Discount Rate* – The following table represents the total OPEB liability, calculated using the discount rate of 4.15%, as well as what the City's total liability would be if it were calculated using a discount rate that is one percentage-point lower (3.15%) or one percentage-point higher (5.15%) than the current discount rate:

	1% Decrease 3.15%	Current Discount Rate 4.15%	1% Increase 5.15%
Total OPEB Liability	\$ 2,449,239	\$ 2,274,565	\$ 2,115,932

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

*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	Current Healthcare Cost Trend Rate	1% Increase
	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 2,083,633	\$ 2,274,565	\$ 2,493,290

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended September 30, 2018 the City recognized OPEB expense of \$246,021. At September 30, 2018, 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	\$272,169	-
Changes in assumptions	11,452	-
Total	\$283,621	\$ -

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

Year Ended September 30:

2019	\$ 47,270
2020	47,270
2021	47,270
2022	47,270
2023	47,270
Thereafter	47,271
	<u>\$ 283,621</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

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

### **Notes to the Financial Statements September 30, 2018**

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officers. Although an outside firm administers each plan, the plans are sponsored by and fiscally dependent on the City.

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

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

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

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

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

#### **Police Officers Pension Plan**

##### **Plan Description:**

##### Plan administration:

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

The Board of Trustees is comprised of:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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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, 2017:

Police

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	44
	<hr/>
	87

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 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.

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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### Benefit Adjustment:

Members retiring (including disability retirees) after October 1, 2000 receive a 2.1% increase in their benefits every fifth year.

#### Contributions:

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

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

#### Contribution Rates:

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

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

The measurement date is September 30, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2017 through September 30, 2018.

The sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 using the following actuarial assumptions:

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



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### 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 2018 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, 2018 are summarized in the following table:

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

#### 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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2017	\$ 28,551,765	\$ 27,428,297	1,123,468
Changes for a year:			
Service cost	667,849	-	667,849
Interest	2,182,922	-	2,182,922
Change in Excess State Money	(20,737)	-	(20,737)
Differences between Expected and Actual Experience	193,927	-	193,927
Changes of assumptions	-	-	-
Changes of benefit terms	528,023	-	528,023
Contributions - Employer	-	281,834	(281,834)
Contributions - State	-	247,970	(247,970)
Contributions - Employee	-	269,438	(269,438)
Contributions - Buy Back	17,148	17,148	-
Net Investment Income	-	2,526,845	(2,526,845)
Benefit Payments, including Refunds of Employee Contributions	(1,242,540)	(1,242,540)	-
Administrative Expense	-	(46,628)	46,628
Net Changes	2,326,592	2,054,067	272,525
Reporting Period Ending September 30, 2018	<u>\$ 30,878,357</u>	<u>\$ 29,482,364</u>	<u>\$ 1,395,993</u>

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

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension (Asset) Liability	\$ 5,141,770	\$ 1,395,993	\$ (1,672,112)

Pension Plan Fiduciary Net Position.

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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

For the year ended September 30, 2018, the Sponsor will recognize a Pension Expense of \$1,444,640.

On September 30, 2018, 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	\$ 145,446	\$ 189,037
Changes of assumptions	465,406	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	198,202
Total	<u>\$ 610,852</u>	<u>\$ 387,239</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:

2019	\$ 428,581
2020	85,760
2021	(193,238)
2022	(97,490)
Total	<u>\$ 223,613</u>

#### **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:

- Two Commission appointees,
- Two members of the system elected by a majority of the other covered Firefighters and,

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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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, 2017:

Inactive plan members or beneficiaries currently receiving benefits	31
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>33</u>
	<u>73</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.

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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### 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, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2017 through September 30, 2018.

The sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	7.00%
Discount Rate	7.90%
Investment Rate of Return	7.90%

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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#### 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 June 28, 2012.

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 2018 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, 2018 are summarized in the following table:

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

#### Discount Rate:

The discount rate used to measure the total pension liability was 7.90%.

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2017	\$ 27,675,548	\$ 24,841,036	\$ 2,834,512
Changes for a year:			
Service cost	502,577	-	502,577
Interest	2,145,398	-	2,145,398
Differences between Expected and Actual Experience	387,233	-	387,233
Contributions - Employer	-	776,966	(776,966)
Contributions - State	-	213,788	(213,788)
Contributions - Employee	-	247,177	(247,177)
Net Investment Income	-	2,735,006	(2,735,006)
Benefit Payments, including Refunds of Employee Contributions	(1,904,939)	(1,904,939)	-
Administrative Expense	-	(55,735)	55,735
Net Changes	1,130,269	2,012,263	(881,994)
Reporting Period Ending September 30, 2018	<u>\$ 28,805,817</u>	<u>\$ 26,853,299</u>	<u>\$ 1,952,518</u>

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

	1% Decrease 6.90%	Current Discount Rate 7.90%	1% Increase 8.90%
Sponsor's Net Pension Liability	\$ 5,475,644	\$ 1,952,518	\$ (962,696)

#### Pension Plan Fiduciary Net Position.

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

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements**  
**September 30, 2018**

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

For the year ended September 30, 2018, the Sponsor will recognize a Pension Expense of \$708,406.

On September 30, 2018, 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	\$ 346,964	\$ 2,034
Changes of assumptions	238,630	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,188,188
Total	<u>\$ 585,594</u>	<u>\$ 1,190,222</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:

2019	221,139
2020	(347,552)
2021	(317,992)
2022	(160,223)
Total	<u>(604,628)</u>



**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2018**

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	\$ 1,221,286	\$ -
Prepaid Benefits	-	121,493
Money Market	-	876,000
Cash	-	122,096
Total Cash and cash equivalents:	1,221,286	1,119,589
Receivables:		
Tax Reclaims	-	5,562
Investment Income	49,651	40,858
Total Receivables:	49,651	46,420
Investments:		
U.S. Bonds and Bills	5,648,042	139,627
Federal Agency Guaranteed Securities	901,270	1,478,337
Corporate Bonds	2,499,765	2,104,020
Municipal Obligations	-	39,981
Stocks	15,744,374	17,955,305
Mutual Funds: Equity	3,419,208	-
Pooled/Common/Commingled Funds: Real Estate	-	3,971,820
Total Investments	28,212,659	25,689,090
Total Assets	29,483,596	26,855,099
<b>Liabilities</b>		
Payables:		
Prior Refunds	1,232	-
Administrative Expenses	-	1,800
Total Liabilities	1,232	1,800
<b>Net Position</b>		
Net Position Restricted for Pensions	\$ 29,482,364	\$ 26,853,299

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2018**

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

	<b>Police Officers Pension</b>	<b>Firefighters Pension</b>
Additions:		
Contributions:		
Plan members	\$ 269,438	\$ 247,177
Buy-Back	17,148	-
Employer	281,834	776,966
State of Florida	247,970	213,788
Total Contributions	<u>816,390</u>	<u>1,237,931</u>
Investment Income:		
Net increase in fair value of investments	2,135,994	2,270,254
Interest & Dividends	531,354	586,060
Less Investment Expense (a)	(140,503)	(121,308)
Net Investment Income	<u>2,526,845</u>	<u>2,735,006</u>
Total Additions	<u>3,343,235</u>	<u>3,972,937</u>
Deductions:		
Distributions to Members:		
Benefit Payments	1,123,374	1,410,044
Lump Sum DROP Distributions	98,665	453,817
Refunds of Member Contributions	20,501	41,078
Total Distributions	<u>1,242,540</u>	<u>1,904,939</u>
Administrative Expense	46,628	55,735
Total Deductions	1,289,168	1,960,674
Net Increase in Net Position	2,054,067	2,012,263
Net Position Restricted for Pensions - Beginning of Year	<u>27,428,297</u>	<u>24,841,036</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 29,482,364</u>	<u>\$ 26,853,299</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, 2018, there were 194 active Plan members, 104 vested and 90 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 2018 were \$803,955.

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. Following the initial term, this agreement may be renewed automatically for two additional one-year terms.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

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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, 2018, 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	48,527	\$ 957,437
JPMorgan SmartRetirement 2030	68,321	1,478,465
JPMorgan SmartRetirement 2035	46,432	981,116
MFS Moderate Allocation R4	30,299	554,163
MFS Growth Allocation R4	45,161	980,001

#### **H. Restatement of Prior Year Net Position**

The implementation of GASB 75 – *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* replaced the requirements of GASB Statement No. 45, as amended, and GASB Statement No. 57. This resulted in removing the prior year other post-employment benefits (OPEB) liability and restating it, as well as recording the prior year Deferred Outflows.

The following schedule reflects the impact of GASB 75 to the Government Wide Financial Statements and the Fund Financial Statements:

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2018

	9/30/2017	9/30/2017 Restated	Increase (Decrease)
<b>Governmental Activities:</b>			
OPEB Liability	\$ 342,010	\$ 1,629,140	\$ 1,287,130
Deferred Outflows	-	(291,957)	\$ (291,957)
	<u>\$ 342,010</u>	<u>\$ 1,337,183</u>	<u>\$ 995,173</u>

	9/30/2017	9/30/2017 Restated	Increase (Decrease)
<b>Business-type Activities:</b>			
OPEB Liability:			
Sanitation Fund	\$ 20,929	\$ 19,943	\$ (986)
Water-Sewer Fund	121,435	162,410	40,975
Stormwater Fund	15,555	19,250	3,695
Golf Course Fund	11,585	15,659	4,074
	<u>\$ 169,504</u>	<u>\$ 217,262</u>	<u>\$ 47,758</u>

Deferred Outflows:			
Sanitation Fund	\$ -	\$ (3,574)	\$ (3,574)
Water-Sewer Fund	-	(29,105)	(29,105)
Stormwater Fund	-	(3,450)	(3,450)
Golf Course Fund	-	(2,806)	(2,806)
	<u>\$ -</u>	<u>\$ (38,935)</u>	<u>\$ (38,935)</u>

Net Change OPEB Liability and Deferred Outflows:			
Sanitation Fund	\$ 20,929	\$ 16,369	\$ (4,560)
Water-Sewer Fund	121,435	133,305	11,870
Stormwater Fund	15,555	15,800	245
Golf Course Fund	11,585	12,853	1,268
	<u>\$ 169,504</u>	<u>\$ 178,327</u>	<u>\$ 8,823</u>

### I. Subsequent Event

On November 6, 2018 the electorate of the City of Tarpon Springs approved the extension of the lease with Florida Hospital North Pinellas for an additional 30 years to 2070 with options for two renewal periods (the first for fifteen years, the second for ten years) extending to 2095 in exchange for a lump sum payment of \$3,000,000 from the Hospital for the period 2040 through 2070 and base rent of \$300,000 per year from 2071 to 2095. The City received the lump sum payment of \$3,000,000 from the Hospital for 2040 through 2070 on January 3, 2019 and have created a separate fund for this money.

***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 Six Fiscal Years\***

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:						
Service Cost	\$ 667,849	\$ 604,591	\$ 814,107	\$ 792,099	\$ 755,726	\$ 700,395
Interest	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	528,023	-	-	(119,708)	-	-
Differences between Expected and Actual Experience	193,927	(14,341)	(727,466)	(319,167)	-	-
Changes of Assumptions	-	660,290	541,040	-	-	-
Contributions - Buy Back	17,148	-	56,848	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Net Change in Total Pension Liability	2,326,592	2,344,157	1,760,744	1,321,484	1,407,588	1,175,056
Total Pension Liability - Beginning	28,551,765	26,207,608	24,446,864	23,125,380	21,717,792	20,542,736
Total Pension Liability - Ending (a)	<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	281,834	241,324	369,399	639,284	590,013	579,733
Contributions - State	247,970	225,484	220,273	207,813	200,056	198,510
Contributions - Employee	269,438	251,275	264,978	262,499	259,014	247,826
Contributions - Buy Back	17,148	-	56,848	-	-	-
Net Investment Income	2,526,845	2,640,786	1,292,444	(68,190)	2,532,116	2,069,509
Benefit Payments, Including Refunds of Employee Contributions	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Administrative Expense	(46,628)	(56,933)	(52,805)	(36,428)	(27,331)	(32,572)
Net Change in Plan Fiduciary Net Position	2,054,067	2,355,091	1,259,204	127,860	2,473,016	1,905,193
Plan Fiduciary Net Position - Beginning	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>\$ 29,482,364</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>\$ 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	95.48%	96.07%	95.67%	97.41%	102.42%	97.68%
Covered Employee Payroll (1)	\$ 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 Employee Payroll	41.45%	35.77%	34.25%	17.83%	-18.21%	17.18%

Notes to Schedule:

(1) The Covered Employee 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 09/30/18, amounts reported as changes of benefit terms 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.

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.

Changes of benefit terms:

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.

\* Information only available for six years.

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

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:						
Service Cost	\$ 502,577	\$ 451,742	\$ 470,186	\$ 433,596	\$ 415,729	\$ 385,291
Interest	2,145,398	2,080,242	1,949,568	1,901,472	1,806,846	1,729,806
Change in excess State money	-	-	-	4,353	-	-
Differences between Expected and Actual Experience	387,233	(4,067)	226,161	(141,504)	-	-
Changes of Assumptions	-	-	954,519	-	(41,516)	-
Benefit Payments, Including Refunds of Employee Contributions	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Net Change in Total Pension Liability	1,130,269	924,866	1,347,703	1,207,957	1,168,780	786,665
Total Pension Liability - Beginning	27,675,548	26,750,682	25,402,979	24,195,022	23,026,242	22,239,577
Total Pension Liability - Ending (a)	<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	776,966	560,252	758,808	974,041	782,526	710,690
Contributions - State	213,788	205,597	223,925	242,782	237,443	235,043
Contributions - Employee	247,177	201,094	197,641	183,224	162,859	164,853
Net Investment Income	2,735,006	3,023,816	1,821,061	316,096	1,993,557	2,221,341
Benefit Payments, Including Refunds of Employee Contributions	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Administrative Expense	(55,735)	(56,818)	(39,185)	(66,388)	(46,371)	(42,561)
Net Change in Plan Fiduciary Net Position	2,012,263	2,330,890	709,519	659,795	2,117,735	1,960,934
Plan Fiduciary Net Position - Beginning	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>\$ 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>\$ 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	93.22%	89.76%	84.15%	85.82%	87.38%	82.61%
Covered Employee Payroll (1)	\$ 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 Employee Payroll	74.64%	133.20%	202.80%	142.07%	148.02%	191.67%

Notes to Schedule:

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

Changes of assumptions:

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.

\* Information only available for six years.



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

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

(1) The Covered Employee 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: 10/1/2016

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method  
Amortization Method: Level Percentage of Pay, Closed.  
Remaining Amortization Period: 28 Years (as of 10/01/2016)  
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.

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 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: 7.7% 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. 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 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 morality 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, 2015 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

\* Information only available for six years.

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

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

(1) The Covered Employee 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: 10/1/2016

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

Methods and assumptions used to determine contribution rates:

Cost Method:	Entry Age Normal Actuarial Cost Method. Loads: half of year of interest at 7.9% and a full year of salary at 6.24% assumption.														
Amortization Method:	Level Percentage of Pay, Closed.														
Remaining Amortization Period:	27 Years (as of 10/01/2016 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.														
Salary Increases:	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.														
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%, as capped by prior year amount. This is potentially limited for compliance with Part VII of Chapter 112, Florida Statutes.														
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:	<table><tr><td>Number of Years after First</td><td>Probability of Retirement</td><td>Probability of Retirement</td></tr><tr><td><u>Eligibility for Normal Retirement</u></td><td></td><td></td></tr><tr><td>0</td><td>50%</td><td>50%</td></tr><tr><td>1 or more</td><td>100%</td><td>100%</td></tr></table> <p>This assumption is supported by an experience study issued on June 28, 2012.</p>			Number of Years after First	Probability of Retirement	Probability of Retirement	<u>Eligibility for Normal Retirement</u>			0	50%	50%	1 or more	100%	100%
Number of Years after First	Probability of Retirement	Probability of Retirement													
<u>Eligibility for Normal Retirement</u>															
0	50%	50%													
1 or more	100%	100%													
Termination Rate:	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:	<p>Healthy Lives:</p> <p>Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.</p> <p>Male: RP2000 Generational, 10% Annuitant White Collar, 90% Annuitant Blue Collar, Scale BB.</p> <p>Disabled Lives:</p> <p>Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p>Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.</p> <p>The assumed rates of morality 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, 2015 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.</p>														

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 six years.

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

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

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

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

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

**Notes to Schedule:**

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

**City of Tarpon Springs, Florida**  
**Schedule of Changes in Total Liability**  
**Other Post Employment Benefits**  
**Fiscal Year 2018\***

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	<u>9/30/2018</u>
Total OPEB Liability:	
Service Cost	\$ 128,874
Interest	69,877
Differences between Expected and Actual Experience	317,530
Changes in Assumptions	13,362
Benefit Payments	<u>(101,479)</u>
Net Change in Total OPEB Liability	428,164
Total OPEB Liability - Beginning	<u>1,846,401</u>
Total OPEB Liability - Ending	<u><u>\$ 2,274,565</u></u>

Covered Employee Payroll	\$ 15,359,260
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Net OPEB Liability as a Percentage of Covered Employee Payroll	14.8%
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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 one year 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, 2018**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 144,705	\$ 2,035,817	\$ 30,920	\$ 259,596	\$ 515,529	\$ 2,986,567
Investments	-	101,400	-	-	101,400	202,800
Due from other governments	57,190	-	67,350	-	-	124,540
Prepaid items	-	-	2,535	-	-	2,535
Total Assets	<u>\$ 201,895</u>	<u>\$ 2,137,217</u>	<u>\$ 100,805</u>	<u>\$ 259,596</u>	<u>\$ 616,929</u>	<u>\$ 3,316,442</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 286,835	\$ -	\$ 1,121	\$ -	\$ 287,956
Accrued liabilities	-	-	2,212	-	-	2,212
Advance from other funds	-	301,599	-	-	-	301,599
Deposits	-	411,054	-	-	-	411,054
Total Liabilities	<u>-</u>	<u>999,488</u>	<u>2,212</u>	<u>1,121</u>	<u>-</u>	<u>1,002,821</u>
Fund Balances:						
Nonspendable:						
Prepaid items	-	-	2,535	-	-	2,535
Street and sidewalk per Charter, nonexpendable	-	-	-	-	-	-
Restricted for:						
Transportation	201,895	-	-	-	-	201,895
Capital projects - impact fee programs	-	1,137,729	-	-	-	1,137,729
Law enforcement programs	-	-	-	258,475	-	258,475
Grant programs	-	-	8,696	-	-	8,696
Public art program	-	-	-	-	297,406	297,406
Land Preservation	-	-	-	-	61,728	61,728
Physical environment	-	-	87,362	-	-	87,362
Committed to:						
Employee benefit cost deferral	-	-	-	-	257,795	257,795
Total Fund Balances	<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>
Total Liabilities and Fund Balances	<u>\$ 201,895</u>	<u>\$ 2,137,217</u>	<u>\$ 100,805</u>	<u>\$ 259,596</u>	<u>\$ 616,929</u>	<u>\$ 3,316,442</u>

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Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ 331,871	\$ 32,194	\$ 364,065	\$ 3,350,632
-	1,973,555	1,973,555	2,176,355
-	-	-	124,540
-	-	-	2,535
<u>\$ 331,871</u>	<u>\$ 2,005,749</u>	<u>\$ 2,337,620</u>	<u>\$ 5,654,062</u>

\$ 937	\$ -	\$ 937	\$ 288,893
-	-	-	2,212
-	-	-	301,599
-	-	-	411,054
<u>937</u>	<u>-</u>	<u>937</u>	<u>1,003,758</u>

-	-	-	2,535
-	2,000,000	2,000,000	2,000,000
330,934	5,749	336,683	538,578
-	-	-	1,137,729
-	-	-	258,475
-	-	-	8,696
-	-	-	297,406
-	-	-	61,728
-	-	-	87,362
-	-	-	257,795
<u>330,934</u>	<u>2,005,749</u>	<u>2,336,683</u>	<u>4,650,304</u>
<u>\$ 331,871</u>	<u>\$ 2,005,749</u>	<u>\$ 2,337,620</u>	<u>\$ 5,654,062</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, 2018**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
Revenues:						
Taxes	\$ 333,801	\$ -	\$ -	\$ -	\$ -	\$ 333,801
Permits and fees	-	690,902	-	-	-	690,902
Intergovernmental	-	-	242,974	51,008	-	293,982
Charges for services	-	-	-	-	243	243
Fines and forfeitures	-	-	-	17,588	-	17,588
Other	2,932	12,258	897	3,129	74,395	93,611
Total Revenues	<u>336,733</u>	<u>703,160</u>	<u>243,871</u>	<u>71,725</u>	<u>74,638</u>	<u>1,430,127</u>
Expenditures:						
Current:						
Public Safety:						
Police	-	-	-	41,114	-	41,114
Fire	-	-	295,539	-	-	295,539
Physical Environment:						
Other	-	-	3,460	-	-	3,460
Culture and Recreation:						
Other	-	-	20,106	-	2,763	22,869
Capital Outlay	-	657,583	-	6,670	137,000	801,253
Total Expenditures	<u>-</u>	<u>657,583</u>	<u>319,105</u>	<u>47,784</u>	<u>139,763</u>	<u>1,164,235</u>
Excess of Revenues Over (Under) Expenditures	<u>336,733</u>	<u>45,577</u>	<u>(75,234)</u>	<u>23,941</u>	<u>(65,125)</u>	<u>265,892</u>
Other Financing Sources (Uses):						
Transfers in	-	-	96,927	-	-	96,927
Transfers out	(350,000)	-	(977)	-	(85,146)	(436,123)
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>95,950</u>	<u>-</u>	<u>(85,146)</u>	<u>(339,196)</u>
Net Change in Fund Balances	(13,267)	45,577	20,716	23,941	(150,271)	(73,304)
Fund Balances - Beginning of Year	<u>215,162</u>	<u>1,092,152</u>	<u>77,877</u>	<u>234,534</u>	<u>767,200</u>	<u>2,386,925</u>
Fund Balances - End 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>



Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ -	\$ -	\$ -	\$ 333,801
-	-	-	690,902
-	-	-	293,982
-	-	-	243
-	-	-	17,588
1,971	7,719	9,690	103,301
1,971	7,719	9,690	1,439,817
-	-	-	41,114
-	-	-	295,539
-	-	-	3,460
-	-	-	22,869
14,531	-	14,531	815,784
14,531	-	14,531	1,178,766
(12,560)	7,719	(4,841)	261,051
180,000	-	180,000	276,927
-	(30,000)	(30,000)	(466,123)
180,000	(30,000)	150,000	(189,196)
167,440	(22,281)	145,159	71,855
163,494	2,028,030	2,191,524	4,578,449
\$ 330,934	\$ 2,005,749	\$ 2,336,683	\$ 4,650,304

**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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 322,000	\$ 322,000	\$ 333,801	\$ 11,801
Other	800	800	2,932	2,132
Total Revenues	<u>322,800</u>	<u>322,800</u>	<u>336,733</u>	<u>13,933</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	(27,200)	(27,200)	(13,267)	13,933
Fund Balances - Beginning of Year	<u>215,162</u>	<u>215,162</u>	<u>215,162</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 187,962</u>	<u>\$ 187,962</u>	<u>\$ 201,895</u>	<u>\$ 13,933</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 224,662	\$ 224,662	\$ 690,902	\$ 466,240
Other	380	380	12,258	11,878
Total Revenues	225,042	225,042	703,160	478,118
Expenditures:				
Capital Outlay	225,042	1,470,806	657,583	813,223
Total Expenditures	225,042	1,470,806	657,583	813,223
Excess of Revenues Over (Under) Expenditures	-	(1,245,764)	45,577	1,291,341
Other Financing Sources:				
Debt proceeds	-	300,000	-	(300,000)
Total Other Financing Sources	-	300,000	-	(300,000)
Net Change in Fund Balances	-	(945,764)	45,577	991,341
Fund Balances - Beginning of Year	1,092,152	1,092,152	1,092,152	-
Fund Balances - End of Year	\$ 1,092,152	\$ 146,388	\$ 1,137,729	\$ 991,341

**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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 333,830	\$ 333,830	\$ 242,974	\$ (90,856)
Other	-	-	897	897
Total Revenues	<u>333,830</u>	<u>333,830</u>	<u>243,871</u>	<u>(89,959)</u>
Expenditures:				
Current:				
Public Safety:				
Fire	376,829	376,829	295,539	81,290
Physical Environment:				
Other	55,100	55,100	3,460	51,640
Culture/Recreation:				
Other	<u>35,000</u>	<u>35,000</u>	<u>20,106</u>	<u>14,894</u>
Total Expenditures	<u>466,929</u>	<u>466,929</u>	<u>319,105</u>	<u>147,824</u>
Excess of Revenues Over (Under) Expenditures	<u>(133,099)</u>	<u>(133,099)</u>	<u>(75,234)</u>	<u>57,865</u>
Other Financing Sources:				
Transfers in	95,999	95,999	96,927	928
Transfers out	-	-	(977)	(977)
Total Other Financing Sources	<u>95,999</u>	<u>95,999</u>	<u>95,950</u>	<u>(49)</u>
Net Change in Fund Balances	(37,100)	(37,100)	20,716	57,816
Fund Balances - Beginning of Year	<u>77,877</u>	<u>77,877</u>	<u>77,877</u>	-
Fund Balances - End of Year	<u>\$ 40,777</u>	<u>\$ 40,777</u>	<u>\$ 98,593</u>	<u>\$ 57,816</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,370	\$ 63,370	\$ 51,008	\$ (12,362)
Fines and forfeitures	10,500	10,500	17,588	7,088
Other	-	-	3,129	3,129
Total Revenues	<u>73,870</u>	<u>73,870</u>	<u>71,725</u>	<u>(2,145)</u>
Expenditures:				
Current:				
Public Safety:				
Police	66,370	68,208	41,114	27,094
Capital Outlay	17,500	33,014	6,670	26,344
Total Expenditures	<u>83,870</u>	<u>101,222</u>	<u>47,784</u>	<u>53,438</u>
Net Change in Fund Balances	(10,000)	(27,352)	23,941	51,293
Fund Balances - Beginning of Year	<u>234,534</u>	<u>234,534</u>	<u>234,534</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 224,534</u>	<u>\$ 207,182</u>	<u>\$ 258,475</u>	<u>\$ 51,293</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ -	\$ 243	\$ 243
Other	-	-	74,395	74,395
Total Revenues	-	-	74,638	74,638
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	399,350	255,350	2,763	252,587
Capital Outlay	50,000	194,000	137,000	57,000
Total Expenditures	469,350	469,350	139,763	329,587
Excess of Revenues Over (Under) Expenditures	(469,350)	(469,350)	(65,125)	404,225
Other Financing Uses:				
Transfers out	(85,146)	(85,146)	(85,146)	-
Total Other Financing Uses	(85,146)	(85,146)	(85,146)	-
Net Change in Fund Balances	(554,496)	(554,496)	(150,271)	404,225
Fund Balances - Beginning of Year	767,200	767,200	767,200	-
Fund Balances - End of Year	\$ 212,704	\$ 212,704	\$ 616,929	\$ 404,225

**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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 500	\$ 500	\$ 1,971	\$ 1,471
Total Revenues	<u>500</u>	<u>500</u>	<u>1,971</u>	<u>1,471</u>
Expenditures:				
Capital Outlay	<u>200,000</u>	<u>229,440</u>	<u>14,531</u>	<u>214,909</u>
Total Expenditures	<u>200,000</u>	<u>229,440</u>	<u>14,531</u>	<u>214,909</u>
Excess of Revenues Over (Under) Expenditures	<u>(199,500)</u>	<u>(228,940)</u>	<u>(12,560)</u>	<u>216,380</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	(19,500)	(48,940)	167,440	216,380
Fund Balances - Beginning of Year	<u>163,494</u>	<u>163,494</u>	<u>163,494</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 143,994</u>	<u>\$ 114,554</u>	<u>\$ 330,934</u>	<u>\$ 216,380</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 16,000	\$ 16,000	\$ 7,719	\$ (8,281)
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>7,719</u>	<u>(8,281)</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	(14,000)	(14,000)	(22,281)	(8,281)
Fund Balances - Beginning of Year	<u>2,028,030</u>	<u>2,028,030</u>	<u>2,028,030</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,014,030</u>	<u>\$ 2,014,030</u>	<u>\$ 2,005,749</u>	<u>\$ (8,281)</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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,320,000	\$ 2,320,000	\$ 2,450,847	\$ 130,847
Charges for Services	56,000	56,000	62,522	6,522
Other	2,500	2,500	26,527	24,027
Total Revenues	2,378,500	2,378,500	2,539,896	161,396
Expenditures:				
Capital Outlay	3,137,028	5,816,018	2,502,145	3,313,873
Total Expenditures	3,137,028	5,816,018	2,502,145	3,313,873
Excess of Revenues Over (Under) Expenditures	(758,528)	(3,437,518)	37,751	3,475,269
Other Financing Sources:				
Issuance of debt	195,030	195,030	-	(195,030)
Total Other Financing Sources	195,030	195,030	-	(195,030)
Net Change in Fund Balances	(563,498)	(3,242,488)	37,751	3,280,239
Fund Balances - Beginning of Year	3,772,696	3,772,696	3,772,696	-
Fund Balances - End of Year	\$ 3,209,198	\$ 530,208	\$ 3,810,447	\$ 3,280,239

## ***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, 2018**

	Storm Water	Marina	Golf Course	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 214,816	\$ 34,370	\$ -	\$ 249,186
Investments	756,256	-	-	756,256
Receivables:				
Interest	5,062	-	-	5,062
Accounts - billed (net)	103,611	810	-	104,421
Accounts - unbilled	57,420	-	-	57,420
Inventories	-	-	18,842	18,842
Prepaid items	5,017	1,467	10,539	17,023
Total Current Assets	<u>1,142,182</u>	<u>36,647</u>	<u>29,381</u>	<u>1,208,210</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	3,818,634	631,849	1,305,712	5,756,195
Machinery and equipment	2,220,131	-	47,721	2,267,852
Accumulated depreciation	(2,291,067)	(564,838)	(1,002,836)	(3,858,741)
Construction in progress	755,939	-	-	755,939
Total Non-Current Assets	<u>4,934,050</u>	<u>92,799</u>	<u>876,643</u>	<u>5,903,492</u>
Total Assets	<u>6,076,232</u>	<u>129,446</u>	<u>906,024</u>	<u>7,111,702</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to OPEB.	2,957	-	2,405	5,362
Total Deferred Outflows of Resources	<u>2,957</u>	<u>-</u>	<u>2,405</u>	<u>5,362</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	103,044	600	57,370	161,014
Accrued liabilities	3,097	356	2,793	6,246
Contracts payable	36,239	-	-	36,239
Due to other fund (deficit in pooled cash)	-	-	982,404	982,404
Advance from other fund	-	-	209,564	209,564
Customer deposits	-	2,500	-	2,500
Compensated absences	1,419	-	573	1,992
Unearned revenue	-	-	17,365	17,365
Total Current Liabilities	<u>143,799</u>	<u>3,456</u>	<u>1,270,069</u>	<u>1,417,324</u>
Non-Current Liabilities:				
Other postemployment benefits	23,714	-	19,290	43,004
Compensated absences	9,327	1,511	19,230	30,068
Total Non-Current Liabilities	<u>33,041</u>	<u>1,511</u>	<u>38,520</u>	<u>73,072</u>
Total Liabilities	<u>176,840</u>	<u>4,967</u>	<u>1,308,589</u>	<u>1,490,396</u>
<b>NET POSITION</b>				
Net investment in capital assets	4,934,050	92,799	876,643	5,903,492
Restricted:				
Other contractual obligations	5,017	1,467	29,381	35,865
Unrestricted (deficit)	963,282	30,213	(1,306,184)	(312,689)
Total Net Position	<u>\$ 5,902,349</u>	<u>\$ 124,479</u>	<u>\$ (400,160)</u>	<u>\$ 5,626,668</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, 2018**

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,425,501	\$ 80,736	\$ 1,292,172	\$ 2,798,409
Other	143	579	3,811	4,533
Total Operating Revenues	1,425,644	81,315	1,295,983	2,802,942
Operating Expenses:				
Personnel services	537,344	59,925	385,064	982,333
Contractual services	281,250	23,749	633,673	938,672
Supplies	107,750	2,936	133,390	244,076
Repairs and maintenance	113,391	1,907	6,066	121,364
Utilities	9,351	12,691	43,555	65,597
Depreciation	346,238	16,724	67,303	430,265
Total Operating Expenses	1,395,324	117,932	1,269,051	2,782,307
Operating Income (Loss)	30,320	(36,617)	26,932	20,635
Non-Operating Revenues (Expenses):				
Investment income	15,403	619	-	16,022
Net change in fair value of investments	(9,435)	-	-	(9,435)
Intergovernmental - operating grants	-	-	9,406	9,406
Other	801	-	-	801
Total Non-Operating Revenues	6,769	619	9,406	16,794
Income (Loss) before Transfers	37,089	(35,998)	36,338	37,429
Transfers out	(85,601)	-	(89,418)	(175,019)
Change in Net Position	(48,512)	(35,998)	(53,080)	(137,590)
Net Position - Beginning of Year	5,951,106	160,477	(345,812)	5,765,771
Restatement of Net Position due to Prior Period Adjustment	(245)	-	(1,268)	(1,513)
Net Position - Beginning of Year-Restated	5,950,861	160,477	(347,080)	5,764,258
Net Position - End of Year	\$ 5,902,349	\$ 124,479	\$ (400,160)	\$ 5,626,668

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,411,309	\$ 81,531	\$ 1,295,270	\$ 2,788,110
Cash payments to suppliers	(454,298)	(42,214)	(808,322)	(1,304,834)
Cash payments to employees	(530,161)	(60,352)	(379,970)	(970,483)
Other	801	-	-	801
Net cash provided (used) by operating activities	<u>427,651</u>	<u>(21,035)</u>	<u>106,978</u>	<u>513,594</u>
Cash flows from noncapital financing activities:				
Transfers out	(85,601)	-	(89,418)	(175,019)
Intergovernmental - operating grants	-	-	9,406	9,406
Advance from other fund	-	-	(37,742)	(37,742)
Payment of cash on loans to/from other funds	<u>-</u>	<u>-</u>	<u>31,621</u>	<u>31,621</u>
Net cash used by noncapital financing activities	(85,601)	-	(86,133)	(171,734)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	<u>(903,796)</u>	<u>-</u>	<u>(20,845)</u>	<u>(924,641)</u>
Net cash used for capital and related financing activities	(903,796)	-	(20,845)	(924,641)
Cash flows from investing activities:				
Interest on investments	15,403	619	-	16,022
Proceeds of investment sales & maturities	810,258	-	-	810,258
Purchase of investments	<u>(765,982)</u>	<u>-</u>	<u>-</u>	<u>(765,982)</u>
Net cash provided by investing activities	<u>59,679</u>	<u>619</u>	<u>-</u>	<u>60,298</u>
Net decrease in cash and cash equivalents	(502,067)	(20,416)	-	(522,483)
Cash and cash equivalents at beginning of year	<u>716,883</u>	<u>54,786</u>	<u>-</u>	<u>771,669</u>
Cash and cash equivalents at end of year	<u>\$ 214,816</u>	<u>\$ 34,370</u>	<u>\$ -</u>	<u>\$ 249,186</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	<u>\$ 214,816</u>	<u>\$ 34,370</u>	<u>\$ -</u>	<u>\$ 249,186</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 30,320	\$ (36,617)	\$ 26,932	\$ 20,635
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	801	-	-	801
Depreciation expense	346,238	16,724	67,303	430,265
Change in assets and liabilities:				
(Increase) decrease in accounts receivable - interest	(1,954)	216	-	(1,738)
Increase in accounts receivable - billed (net)	(7,453)	-	-	(7,453)
Increase in unbilled accounts receivable	(4,928)	-	-	(4,928)
Decrease in inventories	-	-	5,773	5,773
Increase in prepaid items	(1)	(59)	(447)	(507)
Decrease in deferred outflow-OPEB	493	-	401	894
Increase (decrease) in accounts and contracts payable	57,445	(531)	3,036	59,950
Increase in accrued liabilities	106	17	467	590
Decrease in unavailable revenue	-	-	(713)	(713)
Decrease in customer deposits	-	(341)	-	(341)
Increase in other postemployment benefits	4,464	-	3,631	8,095
Increase (decrease) in compensated absences	2,120	(444)	595	2,271
Total adjustments	397,331	15,582	80,046	492,959
Net cash provided (used) by operating activities	\$ 427,651	\$ (21,035)	\$ 106,978	\$ 513,594

## ***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, 2018**

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 38,433	\$ 220,169	\$ 258,602
Investments	-	984,176	984,176
Accounts receivable - interest	-	4,862	4,862
Advance to other fund	-	252,177	252,177
Inventories	42,206	-	42,206
Prepaid items	3,101	2,114	5,215
Total Current Assets	83,740	1,463,498	1,547,238
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	93,865	32,921	126,786
Accumulated depreciation	(284,663)	(55,819)	(340,482)
Total Non-Current Assets	186,408	167,126	353,534
Total Assets	270,148	1,630,624	1,900,772
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to OPEB.	1,927	-	1,927
Total Deferred Outflows of Resources	1,927	-	1,927
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	3,443	5,254	8,697
Accrued liabilities	2,207	-	2,207
Claims payable	-	12,436	12,436
Compensated absences	3,121	-	3,121
Total Current Liabilities	8,771	17,690	26,461
Non-Current Liabilities:			
Claims payable	-	161,734	161,734
Other postemployment benefits	15,457	-	15,457
Compensated absences	6,511	-	6,511
Total Non-Current Liabilities	21,968	161,734	183,702
Total Liabilities	30,739	179,424	210,163
<b>NET POSITION</b>			
Net investment in capital assets	186,408	167,126	353,534
Restricted for:			
Other contractual obligations	45,307	254,291	299,598
Unrestricted	9,621	1,029,783	1,039,404
Total Net Position	\$ 241,336	\$ 1,451,200	\$ 1,692,536



**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,170,182	\$ 588,383	\$ 1,758,565
Total Operating Revenues	1,170,182	588,383	1,758,565
Operating Expenses:			
Personnel services	304,314	-	304,314
Contractual services	12,338	36,812	49,150
Supplies	419,278	1,319	420,597
Repairs and maintenance	440,605	-	440,605
Utilities	1,179	-	1,179
Claims	-	97,473	97,473
Insurance	-	610,673	610,673
Depreciation	37,200	14,830	52,030
Total Operating Expenses	1,214,914	761,107	1,976,021
Operating Loss	(44,732)	(172,724)	(217,456)
Non-Operating Revenues:			
Investment income	-	17,188	17,188
Net change in fair value of investments	-	(15,536)	(15,536)
Total Non-Operating Revenues	-	1,652	1,652
Change in Net Position	(44,732)	(171,072)	(215,804)
Net Position - Beginning of Year	281,926	1,622,272	1,904,198
Restatement of Net Position due to Prior Period Adjustment	4,142	-	4,142
Net Position - Beginning of Year-Restated	286,068	1,622,272	1,908,340
Net Position - End of Year	\$ 241,336	\$ 1,451,200	\$ 1,692,536

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,170,182	\$ 587,290	\$ 1,757,472
Cash payments to suppliers	(884,300)	(742,493)	(1,626,793)
Cash payments to employees	(300,367)	-	(300,367)
Net cash used by operating activities	(14,485)	(155,203)	(169,688)
Cash flows from noncapital financing activities:			
Advance to other fund	-	93,709	93,709
Net cash provided by noncapital financing activities	-	93,709	93,709
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(8,055)	(5,255)	(13,310)
Net cash used by capital and related financing activities	(8,055)	(5,255)	(13,310)
Cash flows from investing activities:			
Interest on investments	-	17,188	17,188
Proceeds of investment sales & maturities	-	500,000	500,000
Purchase of investments	-	(500,000)	(500,000)
Net cash provided by investing activities	-	17,188	17,188
Net decrease in cash and cash equivalents	(22,540)	(49,561)	(72,101)
Cash and cash equivalents at beginning of year	60,973	269,730	330,703
Cash and cash equivalents at end of year	\$ 38,433	\$ 220,169	\$ 258,602
Cash and cash equivalents classified as:			
Cash and cash equivalents	\$ 38,433	\$ 220,169	\$ 258,602
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (44,732)	\$ (172,724)	\$ (217,456)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	37,200	14,830	52,030
Change in assets and liabilities:			
Increase in accounts receivable-interest	-	(1,093)	(1,093)
Increase in inventories	(10,882)	-	(10,882)
Increase in prepaid items	(74)	(333)	(407)
Decrease in deferred outflow-OPEB	321	-	321
Increase in accounts and contracts payable	56	4,260	4,316
Increase in accrued liabilities	353	-	353
Decrease in claims payable	-	(143)	(143)
Increase in other postemployment benefits	2,910	-	2,910
Increase in compensated absences	363	-	363
Total adjustments	30,247	17,521	47,768
Net cash used by operating activities	\$ (14,485)	\$ (155,203)	\$ (169,688)

## ***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, 2018**

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
<b>Assets</b>				
Cash and cash equivalents	\$ 1,221,286	\$ 998,095	\$ -	\$ 2,219,381
Accounts receivable	-	5,562	-	5,562
Interest receivable	49,651	40,858	-	90,509
Investments, at fair value:				
U.S. Government Securities	6,549,313	1,657,943	-	8,207,256
Equities Common Stock	19,163,582	17,955,305	-	37,118,887
Mutual Funds	-	-	10,432,334	10,432,334
Corporate Bonds	2,499,765	2,104,022	-	4,603,787
Real Estate	-	3,971,820	-	3,971,820
Total Investments	<u>28,212,660</u>	<u>25,689,090</u>	<u>10,432,334</u>	<u>64,334,084</u>
Total Assets	<u>29,483,597</u>	<u>26,733,605</u>	<u>10,432,334</u>	<u>66,649,536</u>
<b>Liabilities</b>				
Accounts payable	-	-	3,625	3,625
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,625</u>	<u>3,625</u>
<b>Net Position</b>				
Restricted for Pension Benefits	<u>\$ 29,483,597</u>	<u>\$ 26,733,605</u>	<u>\$ 10,428,709</u>	<u>\$ 66,645,911</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
Additions:				
Contributions:				
Employer	\$ 281,834	\$ 776,966	\$ 803,955	\$ 1,862,755
Plan members	286,586	247,177	-	533,763
State of Florida	247,971	213,788	-	461,759
Total Contributions	<u>816,391</u>	<u>1,237,931</u>	<u>803,955</u>	<u>2,858,277</u>
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	2,132,746	2,229,176	324,933	4,686,855
Interest	223,302	331,152	387,436	941,890
Dividends	312,791	331,859	-	644,650
	<u>2,668,839</u>	<u>2,892,187</u>	<u>712,369</u>	<u>6,273,395</u>
Less Investment Expenses:				
Investment management fees	126,193	108,312	-	234,505
	<u>126,193</u>	<u>108,312</u>	<u>-</u>	<u>234,505</u>
Net Investment Income	<u>2,542,646</u>	<u>2,783,875</u>	<u>712,369</u>	<u>6,038,890</u>
Total Additions	<u>3,359,037</u>	<u>4,021,806</u>	<u>1,516,324</u>	<u>8,897,167</u>
Deductions:				
Benefits	1,124,866	1,889,058	746,960	3,760,884
Refunds of contributions	119,166	22,205	-	141,371
Administrative expense	<u>60,938</u>	<u>103,002</u>	<u>59,905</u>	<u>223,845</u>
Total Deductions	<u>1,304,970</u>	<u>2,014,265</u>	<u>806,865</u>	<u>4,126,100</u>
Change in Net Position	2,054,067	2,007,541	709,459	4,771,067
Net Position - Beginning of Year	<u>27,429,530</u>	<u>24,726,064</u>	<u>9,719,250</u>	<u>61,874,844</u>
Net Position - End of Year	<u>\$ 29,483,597</u>	<u>\$ 26,733,605</u>	<u>\$ 10,428,709</u>	<u>\$ 66,645,911</u>

**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, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,458,210	\$ 1,458,210	\$ -
Total Revenue	1,458,210	1,458,210	-
Expenditures:			
Salaries and Benefits	1,311,152	1,371,235	(60,083)
Operating Expenditures	147,058	108,567	38,491
Total Expenditures	1,458,210	1,479,802	(21,592)
Deficiency of Revenues Under Expenditures	\$ -	\$ (21,592)	\$ (21,592)
1 EMS Funding FY 17-18 Received by Contractor		\$ 1,458,210	
2 EMS Allowable Costs Incurred by Contractor		1,479,802	
3 Difference (If Excess Revenues) Due to Pinellas County		(21,592)	

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE DISTRICT FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>General Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,437,909	\$ 3,409,924	\$ (27,985)
Tarpon Springs Fire District Funds	375,718	364,526	(11,192)
Total Revenues	<u>3,813,627</u>	<u>3,774,450</u>	<u>(39,177)</u>
Expenditures:			
Salaries and Benefits	3,131,826	3,071,730	60,096
Operating Expenditures	642,222	668,574	(26,352)
Capital Outlay	39,579	34,146	5,433
Total Expenditures	<u>3,813,627</u>	<u>3,774,450</u>	<u>39,177</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Revenue Fund - Fire Impacts</b>			
Revenues:			
Fire Impact Fees	\$ 37,282	\$ 159,209	\$ 121,927
Interest	50	1,397	1,347
Total Revenues	<u>37,332</u>	<u>160,606</u>	<u>123,274</u>
Expenditures:			
Capital Outlay	<u>37,332</u>	<u>-</u>	<u>37,332</u>
Total Expenditures	<u>37,332</u>	<u>-</u>	<u>37,332</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 160,606</u>	<u>\$ 160,606</u>
<b>Capital Project Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 1,147,475	\$ 924,062	\$ (223,413)
Tarpon Springs Fire District Funds	-	62,522	62,522
Total Revenues	<u>1,147,475</u>	<u>986,584</u>	<u>(160,891)</u>
Expenditures:			
Capital Outlay	<u>1,147,475</u>	<u>986,584</u>	<u>160,891</u>
Total Expenditures	<u>1,147,475</u>	<u>986,584</u>	<u>160,891</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grand Total</b>			
Total Revenues	<u>\$ 4,998,434</u>	<u>\$ 4,921,640</u>	<u>\$ (76,794)</u>
Total Expenditures	<u>4,998,434</u>	<u>4,761,034</u>	<u>237,400</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 160,606</u>	<u>\$ 160,606</u>
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 4,761,034	
2 Less: Other Revenues Received by Contractor		-	
3 Total Outlay by Contractor		<u>4,761,034</u>	
4 Pinellas County Percentage of District		9.59%	
5 Total Pinellas County Share (3 times 4)		<u>456,583</u>	
6 Pinellas County Paid to Contractor			
Fire District Funding FY 2018		427,048	
Total Pinellas County Paid to Contractor		<u>427,048</u>	
7 Total Due to Pinellas County (6 less 5), if negative none due		\$ (29,535)	



***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, 2018
- 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				
	2009	2010	2011	2012	2013	2014 *	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 40,672,112	\$ 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
Restricted	13,113,128	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
Unrestricted	17,358,272	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
Total governmental activities net position	<u>\$ 71,143,512</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 24,561,610	\$ 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
Restricted	3,531,319	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
Unrestricted	12,467,175	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
Total business-type activities net position	<u>\$ 40,560,104</u>	<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>
Primary government:										
Net investment in capital assets	\$ 65,233,722	\$ 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
Restricted	16,644,447	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
Unrestricted	29,825,447	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
Total primary government net position	<u>\$ 111,703,616</u>	<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>

\* 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.
- Fy 2000 Cnfr bal  
Est of 2000 Infrastructure

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

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015*	2016	2017	2018**
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,247,806	\$ 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
Public safety	11,007,450	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
Physical environment	1,086,567	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
Transportation	2,154,244	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
Economic environment	182,489	361,444	230,382	365,584	466,831	457,145	452,117	531,483	582,470	619,513
Culture/recreation	3,968,052	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
Interest on long-term debt	25,011	23,373	16,841	12,542	8,114	3,526	-	-	-	-
Total governmental activities expenses	21,671,619	21,955,830	21,676,335	22,135,537	22,963,775	23,691,131	24,013,515	26,509,793	27,155,334	29,277,837
Business-type activities:										
Water/Sewer	9,639,797	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
Sanitation	4,931,648	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
Storm Water	679,599	814,746	656,883	687,356	764,604	835,943	1,003,463	1,057,100	1,322,226	1,395,324
Golf Course	1,230,148	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
Marina	91,013	94,279	96,211	84,547	88,566	92,019	109,403	113,616	113,877	117,932
Total business-type activities expenses	16,572,205	16,653,092	16,226,872	15,040,151	16,921,365	17,261,208	19,221,639	19,787,673	21,183,779	22,711,113
Total primary government expenses	\$ 38,243,824	\$ 38,608,922	\$ 37,903,207	\$ 37,175,688	\$ 39,885,140	\$ 40,952,339	\$ 43,235,154	\$ 46,297,466	\$ 48,339,113	\$ 51,988,950
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 507,018	\$ 530,030	\$ 526,133	\$ 545,215	\$ 630,026	\$ 643,467	\$ 657,837	\$ 699,323	\$ 727,516	\$ 723,489
Public safety	1,854,563	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
Physical environment	196,589	111,909	218,822	169,750	177,515	209,146	168,483	169,791	186,427	175,490
Transportation	9,288	-	-	-	-	-	-	-	-	-
Culture/recreation	374,944	376,447	352,600	374,117	378,345	423,844	356,468	330,104	463,927	591,274
Operating grants and contributions	554,398	890,126	752,469	604,223	632,434	917,380	708,400	606,237	701,467	1,207,794
Capital grants and contributions	510,046	730,133	877,714	160,702	1,103,109	375,687	386,754	774,297	306,924	690,902
Total governmental activities program revenues	4,006,846	4,760,033	4,822,031	3,722,333	5,031,380	4,950,009	4,670,206	5,377,139	5,201,108	6,522,959
Business-type activities:										
Charges for services:										
Water/Sewer	10,315,485	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
Sanitation	5,263,508	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
Storm Water	990,438	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
Golf Course	1,367,577	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
Marina	65,828	71,609	68,882	45,235	50,684	60,861	71,084	74,064	78,181	81,315
Operating grants and contributions	-	-	-	44,988	13,469	-	-	-	10,093	166,126
Capital grants and contributions	844,387	164,608	425,317	2,116,009	2,259,507	6,388,338	11,048,730	2,055,112	482,469	1,035,670
Total business-type activities program revenues	18,847,223	18,037,358	18,971,615	20,405,656	21,656,434	26,021,295	31,692,082	24,064,218	23,685,022	25,131,695
Total primary government program revenues	\$ 22,854,069	\$ 22,797,391	\$ 23,793,646	\$ 24,127,989	\$ 26,687,814	\$ 30,971,304	\$ 36,362,288	\$ 29,441,357	\$ 28,886,130	\$ 31,654,654

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

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015*	2016	2017	2018**
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (17,664,773)	\$ (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)
Business-type activities	2,275,018	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
Total primary government net expense	<u>\$ (15,389,755)</u>	<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>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property	\$ 7,991,275	\$ 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
Property - TIF	280,701	191,121	145,579	121,924	115,714	135,007	151,086	165,527	185,586	203,895
Franchise fees (A)	-	-	-	-	-	-	-	-	-	-
Utility	2,303,766	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
Communication service	1,369,298	1,199,683	1,128,100	1,142,824	1,073,489	1,024,720	967,373	940,076	919,582	937,774
Half-cent sales	1,182,942	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
Local option gas	297,770	298,150	290,820	295,330	301,086	301,389	312,407	321,439	324,217	333,801
Local option sales	1,650,590	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
Local business (A)	193,362	184,452	177,632	176,558	172,804	162,355	161,021	161,569	160,636	141,876
Other	59,029	56,469	55,736	52,478	54,694	57,011	57,623	59,348	63,893	61,185
Franchise fees (A)	1,838,955	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
State revenue sharing	617,725	615,365	643,733	656,534	662,791	708,168	763,051	787,803	834,871	863,397
Investment income	749,301	327,913	233,698	238,069	30,369	173,212	304,826	269,278	207,753	208,846
Miscellaneous	713,590	358,134	337,602	912,698	237,202	867,571	509,088	284,976	209,878	344,919
Transfers	927,200	951,914	969,663	954,751	935,707	951,553	1,040,510	1,055,277	1,253,344	1,416,062
Total governmental activities	<u>20,175,504</u>	<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>
Business-type activities:										
Investment income	679,506	378,523	243,990	232,979	68,412	199,643	239,449	199,000	153,778	148,401
Transfers	(927,200)	(951,914)	(969,663)	(954,751)	(935,707)	(951,553)	(1,040,510)	(1,055,277)	(1,253,344)	(1,416,062)
Total business-type activities	<u>(247,694)</u>	<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>
Total primary government	<u>\$ 19,927,810</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,510,731	\$ 1,990,808	\$ 1,666,409	\$ 204,215	\$ (123,935)	\$ 535,608	\$ 449,367	\$ (923,651)	\$ (1,039,081)	\$ (475,339)
Business-type activities	2,027,324	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
Total primary government	<u>\$ 4,538,055</u>	<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>

\* 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				
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund											
	Nonspendable	\$ 149,243	\$ 330,533	\$ 357,162	\$ 370,883	\$ 378,222	\$ 346,049	\$ 347,936	\$ 372,891	\$ 379,224	\$ 380,997
	Restricted	356,340	282,319	272,255	235,644	251,147	264,696	254,281	196,191	192,379	244,990
	Committed	2,127,263	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
	Assigned	3,355,153	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
	Unassigned	9,203,929	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
Total general fund		<u>\$ 15,191,928</u>	<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>
All Other Governmental Funds											
	Nonspendable	\$ 3,719,168	\$ 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
	Restricted	8,836,197	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
	Committed	429,830	433,995	435,298	428,968	431,557	432,353	434,017	337,974	340,959	257,795
	Unassigned	-	(57,157)	(40,926)	(37,325)	(29,340)	(22,406)	-	-	-	-
Total all other governmental funds		<u>\$ 12,985,195</u>	<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>
Total Fund Balance All Governmental Funds		<u>\$ 28,177,123</u>	<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>

**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				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 13,806,061	\$ 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
Licenses, permits and fees	1,991,985	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
Intergovernmental	3,057,455	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
Charges for services	2,068,616	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
Fines and forfeitures	164,884	258,964	266,300	233,909	211,463	160,649	128,387	249,628	86,240	265,358
Other	2,192,940	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
Total Revenues	23,281,941	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
<b>Expenditures</b>										
General government	3,000,035	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
Public safety	10,337,416	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
Physical environment	1,016,145	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
Transportation	1,088,535	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
Economic environment	145,895	323,588	192,154	199,870	276,719	253,750	245,914	320,472	388,246	425,271
Culture & recreation	3,569,756	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
Capital outlay	2,255,395	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
Debt service										
Interest	30,326	27,317	16,841	12,542	8,114	3,526	-	-	-	-
Principal	662,523	425,467	132,000	137,000	141,000	146,000	-	-	-	-
Total expenditures	22,106,026	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
Excess of revenues over (under) expenditures	1,175,915	(317,791)	(668,637)	(674,515)	(2,494,339)	(1,720,298)	(3,907,932)	(2,328,321)	(3,409,726)	(1,535,804)
<b>Other Financing Sources (Uses)</b>										
Land sale	-	-	-	-	-	802,669	-	-	-	-
Issuance of debt	-	667,000	-	-	-	-	-	-	-	-
Transfers in	1,378,625	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
Transfers out	(451,425)	(306,673)	(450,000)	(496,228)	(416,754)	(361,000)	(362,000)	(563,636)	(446,204)	(562,122)
Total other financing sources (uses)	927,200	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
Net change in fund balances	\$ 2,103,115	\$ 1,301,123	\$ 301,026	\$ 280,236	\$ (1,342,964)	\$ 276,297	\$ (2,867,422)	\$ (1,247,344)	\$ (2,156,382)	\$ (119,742)
Debt service as a percentage of noncapital expenditures	3.5%	2.3%	0.8%	0.8%	0.7%	0.7%	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>
2009	\$ 7,991,275	\$ 1,838,955	\$ 2,303,766	\$ 1,369,298	\$ 193,362	\$ 1,948,360	\$ 15,645,016
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
Change 2009 - 2018	11.4%	-3.9%	32.2%	-31.5%	-26.6%	42.9%	12.4%



**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		
2009	\$ 2,080,508,860	B \$ 309,537,550	\$ 69,741,100	\$ 289,914,000	\$ 2,749,701,510	\$ 1,015,759,242	\$ 1,733,942,268	\$ 87,359,270	\$ 16,799,101	\$ 70,560,169	\$ 2,837,060,780	\$ 1,032,558,343	\$ 1,804,502,437	4.5738	36.40%
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%
Change 2009 - 2018	-24%	7%	-11%	-19%	-20%	-42%	-7%	10%	-1%	13%	-19%	-41%	-6%	19%	

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	
2009	\$ 211,378,700	\$ 52,812,771	\$ 170,502,287	\$ 143,249,349	\$ 8,766,726	\$414,634,208	\$ 14,415,201	\$ 1,015,759,242	\$ 126,900	\$ 5,836,916	\$ 10,809,875	\$ 25,410	\$ 16,799,101	\$ 1,032,558,343
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

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)	
2009	4.5738	8.0610	4.8730	.5601	.5832	1.5551	20.2062
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

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	0.3131
	<u>1.2262</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	2018			2009		
	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	\$ 19,745,000	1	1.16%	\$ 18,666,000	1	1.03%
Riverside Partners LTD	14,975,000	2	0.88%	12,600,000	2	0.70%
CRP/CRE - Sun Valley LLC	13,925,000	3	0.82%	-	-	-
Lowes Home Centers Inc	12,604,488	4	0.74%	-	-	-
DDR Tarpon Square LLC	10,946,450	5	0.64%	-	-	-
CRP/CRE Meadows Owner LLC	9,900,000	6	0.58%	-	-	-
Wal-Mart Stores East LP	7,410,000	7	0.44%	6,637,200	7	0.37%
SUSO1 FUQUAY LP	6,697,034	8	0.39%	-	-	-
River Site LLC -St Lukes Clinic	6,618,662	9	0.39%	8,959,400	3	0.50%
Storage Trust Properties	6,360,000	10	0.37%	6,475,000	8	0.36%
Shamrock Millco-Sun Valley LLC	-	-	-	8,600,000	4	0.48%
W & Z Properties LTD	-	-	-	7,400,000	5	0.41%
1527 N Riverside Dr LLC	-	-	-	7,080,000	6	0.39%
Lime Street Properties Inc	-	-	-	6,200,000	9	0.34%
Manatee Village Investments	-	-	-	6,000,000	10	0.33%
<b>TOTAL</b>	<b>\$ 109,181,634</b>		<b>6.41%</b>	<b>\$ 88,617,600</b>		<b>4.91%</b>

A) Percentages are based on the total assessed value of \$ 1,698,217,099

B) Percentages are based on the total assessed value of \$ 1,804,502,437

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	2018			2009		
	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)	\$ 20,915,137	1	1.23%	\$ 14,617,445	1	0.81%
Frontier CommunicationsVerizon Florida LLC	5,987,047	2	0.35%	10,590,955	2	0.59%
Barnett Outdoors LLC	4,730,582	3	0.28%	-		-
Lowe's of Tarpon Springs	4,720,316	4	0.28%	-		-
Hertz Equip Rental Corp	3,949,224	5	0.23%	4,689,430	3	0.26%
Bright House Networks LLC	3,450,550	6	0.20%	2,122,400	6	0.12%
Reload Gun Range	2,565,570	7	0.15%	-		-
St Lukes Cataract & Laser Inst. Inc	1,804,277	8	0.11%	2,489,770	5	0.17%
Wal-Mart Stores East LP	1,698,699	9	0.10%	-		-
Southern Road & Bridge LLC	1,446,973	10	0.09%	-		-
Verizon Florida LLC Centra	-		-	2,960,400	4	0.16%
Publix Supermarket #144	-		-	1,676,970	7	0.09%
Knology Broadband of Florida	-		-	1,019,702	8	0.06%
General Electric Credit Co	-		-	822,445	9	0.05%
Bar G Enterprises	-		-	777,010	10	0.04%
TOTAL	\$ <u>51,268,375</u>		<u>3.02%</u>	\$ <u>41,766,527</u>		<u>2.32%</u>

A) Percentages are based on the total assessed value of \$ 1,698,217,099.

B) Percentages are based on the total assessed value of \$ 1,804,502,437

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
2009	\$ 8,253,433	\$ 7,953,461	96.37%	\$ 47,015	\$ 8,000,476	96.94%
2010	7,837,632	7,591,358	96.86%	66,081	7,657,439	97.70%
2011	7,601,697	7,355,168	96.76%	43,861	7,399,029	97.33%
2012	7,241,470	6,992,075	96.56%	33,668	7,025,743	97.02%
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%	15,901	6,937,578	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%	19,681	7,817,993	96.78%
2017	8,547,890	8,257,776	96.61%	11,557	8,269,333	96.74%
2018	9,204,337	8,883,785	96.52%	6,594	8,890,379	96.59%

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			
2009	\$ 121,958	\$ 192,509	\$ 5,950,565	\$ -	\$ 34,688	\$ 6,299,720	0.60%	257
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

**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)
2009	\$ -	\$ 121,958	\$ 121,958	0.01%	5
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%	-

**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, 2018**

<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	\$ 9,578,209	2.31%	\$ 221,257
Pinellas County Capital Leases	499,386	2.31%	11,536
Pinellas County School District State Bonds	1,197,000	2.31%	27,651
Pinellas County School District Capital Leases	5,611,627	2.31%	129,629
Subtotal, overlapping debt			<u>390,073</u>
City direct debt	-	100.00%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 390,073</u></u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$1,698,217,099/\$73,503,171,055).

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 2018</b>	
Assessed value (A)	1,698,217,099
Debt limit (100% of total assessed value) (B)	<u>\$ 1,698,217,099</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>\$ 1,698,217,099</u></u>

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit (B)	\$ 1,804,502,437	\$ 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
Total net debt applicable to limit ( C)	<u>314,467</u>	<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>
Legal debt margin (B)	\$ 1,804,187,970	\$ 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
Total net debt applicable to the limit as a percentage of debt limit	0.02%	0.04%	0.03%	0.02%	0.01%	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	
2009	\$ 10,715,997	A	\$ 8,134,938	\$2,581,059	\$ 435,000	\$ 78,894	\$ 513,894	5.02
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

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>
2009	24,472	\$ 1,056,823	\$ 43,185	45.0	6,861	10.8%
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%

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	2018		2009	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	4,000	1	2,850	3
Home Shopping Club	2,000	2	1,600	10
Tech Data Corp.	2,000	3	1,800	9
Spectrum	2,000	4	-	-
Fidelity Information Services	1,500	5	-	-
The Nielsen Company	1,500	6	3,650	1
Jabil Circuit, Inc.	1,500	7	-	-
Honeywell Aerospace	1,500	8	-	-
Valpak	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Times Publishing Corp.	-	-	3,187	2
Morton Plant Hospital	-	-	2,448	4
Raytheon	-	-	2,200	5
All Childrens Health Systems	-	-	2,000	6
Bayfront Medical Center, Inc.	-	-	2,000	7
Progress Energy, Florida	-	-	1,950	8
TOTAL	18,500		23,685	

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function/Program</b>										
General government	29.40	30.40	29.80	28.80	29.80	29.80	29.80	31.10	32.10	32.77
Public safety	109.00	109.00	107.00	105.00	106.00	106.00	106.00	111.00	114.00	117.36
Physical environment	16.00	15.00	15.20	15.20	14.20	13.20	12.45	11.65	12.65	11.40
Transportation	11.10	11.10	10.30	10.30	9.30	9.30	8.40	8.40	8.40	8.40
Economic Environment	2.20	2.20	2.20	2.20	2.20	2.85	2.85	2.85	2.85	2.85
Culture/recreation	42.00	38.00	38.00	37.00	37.00	36.45	38.40	36.65	36.65	38.95
Water/Sewer	61.50	61.50	58.55	58.55	59.55	59.55	60.27	73.07	73.82	75.09
Sanitation	4.30	6.30	7.60	7.60	7.60	7.60	8.40	7.40	7.40	7.55
Stormwater	7.45	7.45	7.25	8.25	8.25	8.25	8.43	7.93	7.93	8.59
Golf Course	6.00	5.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Marina	0.05	0.05	0.10	0.10	0.10	1.00	1.00	1.20	1.20	1.20
Total	289.00	286.00	280.00	277.00	278.00	278.00	281.00	296.25	302.00	309.16

Source: City Budget documents.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function/Program</b>										
Public safety										
Police										
Arrests	1,100	1,424	990	942	1,007	1,008	1,008	1,048	961	984
Parking violations	286	424	553	227	623	341	217	125	303	269
Citations	2,366	4,919	3,635	3,004	3,184	2,570	1,981	1,852	2,125	2,125
Fire/EMS										
Fire calls	60	64	65	71	55	45	68	77	227	61
EMS calls	2,031	1,965	2,766	2,672	3,291	3,377	3,518	3,852	3,970	4,016
False alarms	127	148	185	151	141	195	199	223	247	201
Culture/recreation										
Community center attendance	15,246	14,395	14,316	12,767	13,607	13,211	13,695	25,881	32,328	33,980
Leagues	8	10	10	11	13	12	9	7	7	7
Library-circulation	288,481	286,672	290,703	303,567	287,679	287,558	287,797	264,140	246,149	229,706
Library-materials	130,230	119,160	106,762	110,582	101,285	100,734	92,341	99,715	96,242	95,289
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,830	2,609	2,644	2,679	2,707	2,602	2,513	2,525	2,493	2,405
Sewer										
Annual average daily flow (thousands of gallons)	1,950	1,932	1,874	2,115	2,030	1,870	1,950	2,140	2,070	1,970
Golf Course										
Rounds of golf played	60,004	55,136	55,104	56,984	58,535 *	40,320	48,091	47,194	47,184	44,317

\* 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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	2	3	3
Transportation										
Streets paved	92.8	92.8	92.8	93.0	93.0	95.5	95.5	96.6	107.0	118
Streets unpaved	1.2	1.2	1.2	1.0	1.0	1.0	1.0	1.0	4.8	3.5
Culture/recreation										
Parks acreage	430.39	430.39	430.39	430.39	431.39	435.56	435.56	435.56	435.56	435.56
Playgrounds	16	16	18	18	18	18	18	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	160	146	157	168	175
Sanitary sewer mains/miles	72.0	72.0	72.0	84.0	84.0	84.0	88.8	93.7	101.0	102.7
Treatment daily capacity	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd
Golf Course										
Number of holes	18	18	18	18	18	18	18	18	18	18
Marina										
Boat slips	19	19	19	19	19	19	19	19	19	21

Sources: City Departments



***REPORTS OF INDEPENDENT AUDITORS***



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the City) as of and for the year ended September 30, 2018, 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 20, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 20, 2019.

### **Purpose of this Report**

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

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

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

Tampa, Florida  
March 20, 2019



## 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 year ended September 30, 2018, and have issued our report thereon dated March 20, 2019.

### 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.

### Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 20, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address findings and recommendations in the preceding annual financial audit report.

### Official Title and Legal Authority

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

### Financial Condition and Management

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



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

**Financial Condition and Management (Continued)**

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. 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.

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

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

Tampa, Florida  
March 20, 2019



## 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, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

*Moore Stephens Lovelace, P.A.*

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

Tampa, Florida  
March 20, 2019

