

City of Tarpon Springs, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021



CITY OF TARPON SPRINGS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2021

MAYOR AND BOARD OF COMMISSIONERS

Chrisostomo Alahouzos, Mayor
Jacob Karr, Vice-Mayor
Townsend Tarapani, Commissioner
Connor Donovan, Commissioner
Costa Vatikiotis, 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

Prepared by the City of Tarpon Springs Finance Department

CITY OF TARPON SPRINGS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart



City of Tarpon Springs, Florida

March 31, 2022

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 annual comprehensive financial report of the City of Tarpon Springs, Florida (the "City") for the Fiscal Year ended September 30, 2021.

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 Mauldin & Jenkins LLC, 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, 2021 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, 2021, 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 25,359. 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-23 through B-25 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-11 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 saw improvements. FY 2020 was challenging with the onset of COVID 19, the City experienced revenue losses in sales taxes, and cultural and recreation fees. The City also experienced additional expenditures related to COVID 19. At the onset of COVID 19 management directed departments to monitor their expenditures and not have any unnecessary expenditures. With limiting unnecessary expenditures and the potential for COVID 19 expenditure reimbursement funding the City experienced a slight decrease in fund balance. COVID 19 continued into FY 2021 with sales tax revenue losses through the first half of the fiscal year, the second half of the fiscal year saw an increase in revenues with the decline in COVID 19 and businesses opening up. The budget for FY 2022 was projected with a slight increase for sales tax revenues due to the potential for other COVID 19 variants such as Omicron. Property tax valuations and property tax revenues have increased the past couple of years and are anticipated to increase in FY 2022. The City will be in receipt of American Rescue Plan Act (ARPA) funds which will be spent on projects as determined by the Board of Commissioners in following the guidelines of the ARPA. 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 ten years through FY 2028. The rates were reevaluated in FY 2021 which produced a rate decrease of 2.2% for FY 2022 and no increases for FY 2023 and FY 2024.

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, 2021 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 July 14, 2020 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 and the Prime Fund through the State Board of Administration. 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 2021, the average cash/investment pool balance was \$50,439,736 and the total annual earnings net of all bank charges was \$241,392 giving an average rate of return of .48% on the average balance.

Debt Administration. At September 30, 2021, the City had total outstanding bonds payable of \$29,625,000 representing the Utility System Revenue Bond Series 2013A. The City also had total outstanding capital lease payable of \$677,378 representing the fire ladder truck. 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, 2021 relative to property values at January 1, 2021 (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, 2021 increased to \$227,343, insurance premiums increased which caused a decrease in the change in net position of \$335,239 with a corresponding decrease in total Net Position to \$876,635 as of September 30, 2021. 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 insurance is purchased through Florida Municipal Insurance Trust (FMIT). Dental insurance is purchased through Metropolitan Life. 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 \$941,282, \$616,791 and \$769,398 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 annual comprehensive financial report (ACFR) for the Fiscal Year ended September 30, 2020. This was the thirtieth 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 annual comprehensive 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 annual comprehensive 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, 2020. 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, Mauldin & Jenkins LLC., 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

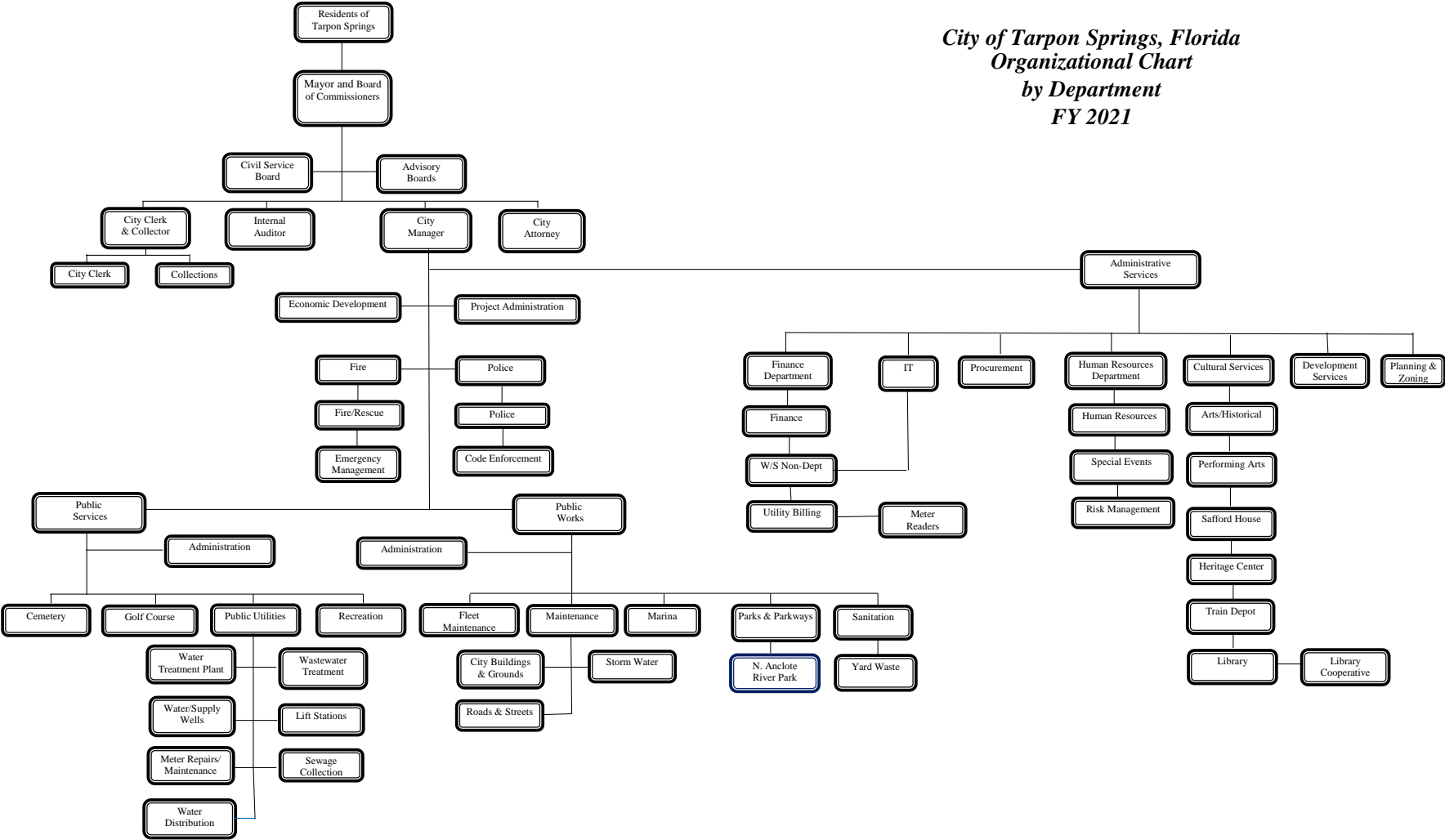
September 30, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

City of Tarpon Springs, Florida
Organizational Chart
by Department
FY 2021





FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information other than MD & A

Combining and Individual Fund Statements and Schedules

Other Supplementary Information



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City"), as of and for the year ended September 30, 2021, 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 from 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 entity'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 entity'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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, the Grants Fund, and the Community Redevelopment Agency Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-4 through B-16, schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, and schedule of the City's total OPEB liability and related ratios on pages B-90 through B-95 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tarpon Springs, Florida's basic financial statements. The introductory section, combining and individual fund 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 basic financial statements. The combining and individual fund statements and schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

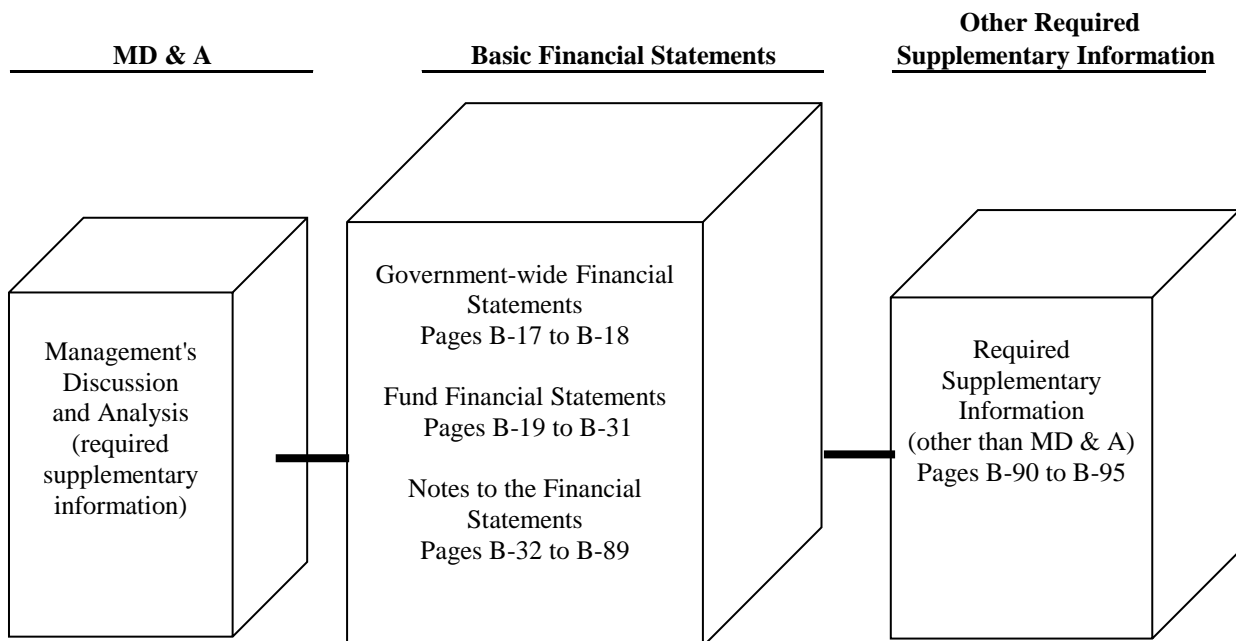
As management of the City of Tarpon Springs (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction 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 \$156,266,747 (net position). Of this amount, \$23,599,594 (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 \$5,205,822.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$24,622,733, an increase of \$1,838,988 in comparison with the prior year. The portion of this total amount, \$8,772,084, 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 \$8,772,084, or 32% of the total general fund expenditures.
- The City’s total debt decreased by \$1,213,191 (3.82%) \$975,000 of which was principal payment on the Utility System Revenue Bonds, Series 2013A, and capital lease on fire ladder truck which was reduced with a principal payment of \$216,743. The Utility System Revenue Bonds, Series 2013A has a total principal balance of \$29,625,000 and the capital lease for the fire ladder truck has a total principal of \$677,378 at September 30, 2021.

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-17 to B-18 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, grants fund and the local option sales tax fund, all of which are considered to be major funds. Data from the other six 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-19 to B-25 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-26 to B-29 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-30 to B-31 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-32 to B-89 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-90 to B-95 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-20 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 \$156,266,747 at the close of fiscal year September 30, 2021.

By far the largest portion of the City's net position (75%) 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.

Statement of Net Position as of September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 38,158,561	\$ 29,100,998	\$ 24,058,821	\$ 22,495,317	\$ 62,217,382	\$ 51,596,315
Capital assets	<u>54,180,357</u>	<u>54,819,352</u>	<u>95,673,428</u>	<u>94,943,225</u>	<u>149,853,785</u>	<u>149,762,577</u>
Total assets	<u>92,338,918</u>	<u>83,920,350</u>	<u>119,732,249</u>	<u>117,438,542</u>	<u>212,071,167</u>	<u>201,358,892</u>
Deferred Outflows of Resources						
Deferred Outflows of Resources	<u>1,797,588</u>	<u>3,488,885</u>	<u>92,108</u>	<u>83,652</u>	<u>1,889,696</u>	<u>3,572,537</u>
Liabilities						
Current and other liabilities	11,264,604	4,969,815	4,179,687	3,644,692	15,444,291	8,614,507
Long-term debt outstanding:						
Due within one year	303,860	299,369	1,010,262	990,829	1,314,122	1,290,198
Due in more than one year	<u>6,472,452</u>	<u>12,794,534</u>	<u>29,581,320</u>	<u>30,648,348</u>	<u>36,053,772</u>	<u>43,442,882</u>
Total liabilities	<u>18,040,916</u>	<u>18,063,718</u>	<u>34,771,269</u>	<u>35,283,869</u>	<u>52,812,185</u>	<u>53,347,587</u>
Deferred Inflows of Resources						
Deferred Inflows of Resources	<u>4,881,475</u>	<u>522,917</u>	<u>456</u>	<u>-</u>	<u>4,881,931</u>	<u>522,917</u>
Net Position						
Net investment in capital assets	53,188,924	53,925,231	64,616,646	64,055,253	117,805,570	117,980,484
Restricted	8,755,728	6,732,428	6,105,855	5,687,790	14,861,583	12,420,218
Unrestricted	<u>9,269,463</u>	<u>8,164,941</u>	<u>14,330,131</u>	<u>12,495,282</u>	<u>23,599,594</u>	<u>20,660,223</u>
Total net position	<u>\$ 71,214,115</u>	<u>\$ 68,822,600</u>	<u>\$ 85,052,632</u>	<u>\$ 82,238,325</u>	<u>\$ 156,266,747</u>	<u>\$ 151,060,925</u>

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$23,599,594) 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 \$5,205,822 during the current fiscal year.

For more detailed information see the Statement of Net Position (page B-17).

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	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues:						
Charges for services	\$ 4,630,614	\$ 4,295,340	\$ 27,652,531	\$ 25,760,491	\$ 32,283,145	\$ 30,055,831
Operating grants and contributions	1,122,397	916,385	101,482	178,506	1,223,879	1,094,891
Capital grants and contributions	438,118	1,137,225	1,245,982	399,718	1,684,100	1,536,943
General revenues:						
Property taxes	10,563,392	9,955,730	-	-	10,563,392	9,955,730
Property taxes-TIF County portion	276,100	244,654	-	-	276,100	244,654
Utility taxes	3,509,721	3,425,760	-	-	3,509,721	3,425,760
Communication service taxes	883,221	887,536	-	-	883,221	887,536
Sales, gas and other taxes	5,515,883	4,707,640	-	-	5,515,883	4,707,640
Franchise fees	2,007,395	1,820,718	-	-	2,007,395	1,820,718
State revenue sharing	980,405	836,459	-	-	980,405	836,459
Investment income	40,194	432,880	82,522	319,108	122,716	751,988
Miscellaneous	336,612	1,027,184	-	-	336,612	1,027,184
Total revenues	<u>30,304,052</u>	<u>29,687,511</u>	<u>29,082,517</u>	<u>26,657,823</u>	<u>59,386,569</u>	<u>56,345,334</u>
EXPENSES						
Program Activities:						
Primary Government:						
Governmental Activities:						
General government	4,801,604	5,070,370	-	-	4,801,604	5,070,370
Public safety	15,769,750	17,332,285	-	-	15,769,750	17,332,285
Physical environment	1,630,085	1,454,120	-	-	1,630,085	1,454,120
Transportation	2,596,468	2,570,621	-	-	2,596,468	2,570,621
Economic environment	562,146	530,288	-	-	562,146	530,288
Culture/recreation	4,549,677	4,581,598	-	-	4,549,677	4,581,598
Interest on long-term debt	22,194	45,378	-	-	22,194	45,378
Business-type Activities:						
Water/Sewer	-	-	15,728,538	15,150,903	15,728,538	15,150,903
Sanitation	-	-	5,496,705	5,373,320	5,496,705	5,373,320
Storm water	-	-	1,549,181	1,356,409	1,549,181	1,356,409
Golf Course	-	-	1,330,592	1,291,991	1,330,592	1,291,991
Marina	-	-	143,807	130,439	143,807	130,439
Total expenses	<u>29,931,924</u>	<u>31,584,660</u>	<u>24,248,823</u>	<u>23,303,062</u>	<u>54,180,747</u>	<u>54,887,722</u>
Increase (decrease) in Net Position before Transfers	<u>372,128</u>	<u>(1,897,149)</u>	<u>4,833,694</u>	<u>3,354,761</u>	<u>5,205,822</u>	<u>1,457,612</u>
Transfers	<u>2,019,387</u>	<u>1,904,161</u>	<u>(2,019,387)</u>	<u>(1,904,161)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>2,391,515</u>	<u>7,012</u>	<u>2,814,307</u>	<u>1,450,600</u>	<u>5,205,822</u>	<u>1,457,612</u>
Net Position - Beginning of year	<u>68,822,600</u>	<u>68,815,588</u>	<u>82,238,325</u>	<u>80,787,725</u>	<u>151,060,925</u>	<u>149,603,313</u>
Net Position - End of year	<u>\$ 71,214,115</u>	<u>\$ 68,822,600</u>	<u>\$ 85,052,632</u>	<u>\$ 82,238,325</u>	<u>\$ 156,266,747</u>	<u>\$ 151,060,925</u>

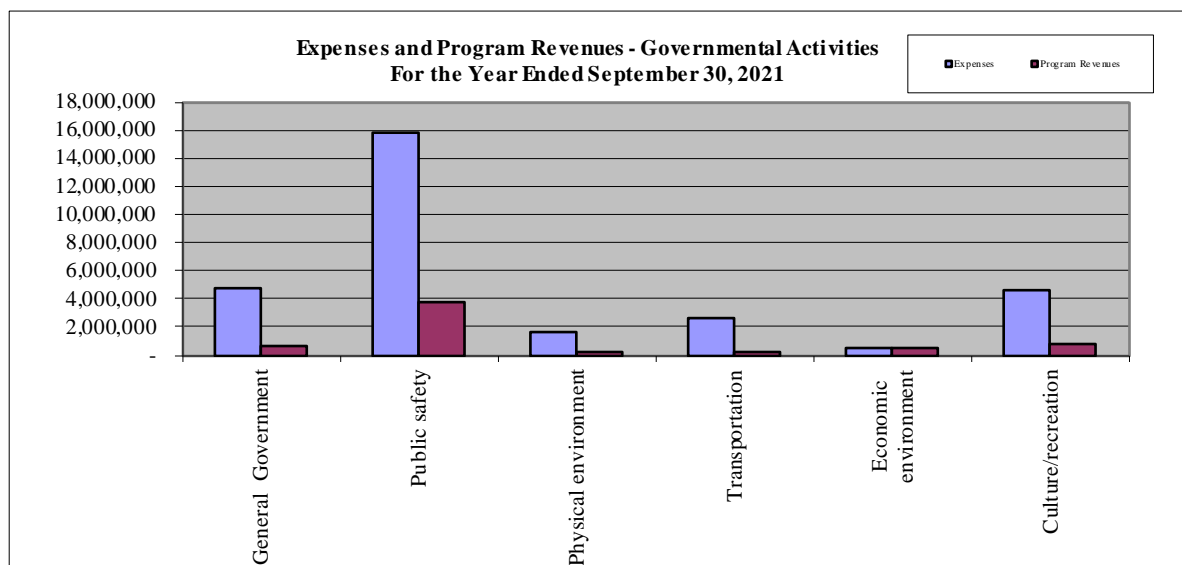
Governmental activities.

Governmental activities increased the City's net position by \$2,391,515 accounting for a 46% increase in the total growth in the net position of the City. 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:

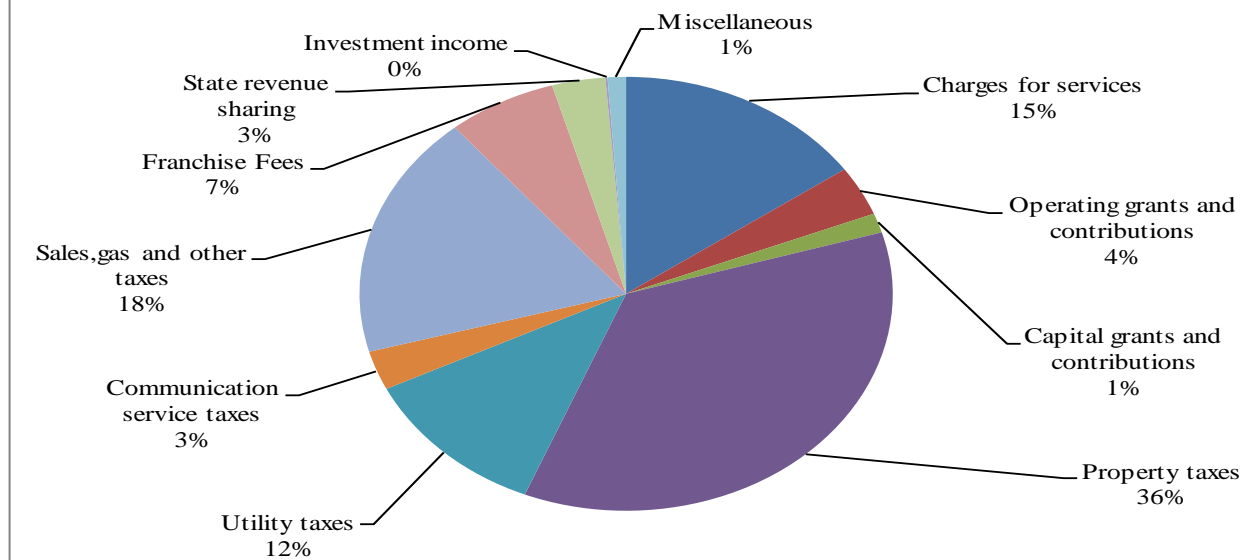
Total Governmental activity revenues increased \$616,541 in comparison to the previous year. The major increases were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 586,166	Taxable Assessed Value increase of 6.14%
Cares Act	\$ 524,328	Federal grant support due to COVID 19
Total	\$ 1,110,494	

Total Governmental activity expenses decreased \$1,652,736 in comparison to the previous year. The majority of this decrease was due to a decrease in the Police and Fire Pension liability.



**Revenues by Source-Governmental Activities
For the Year Ended September 30, 2021**



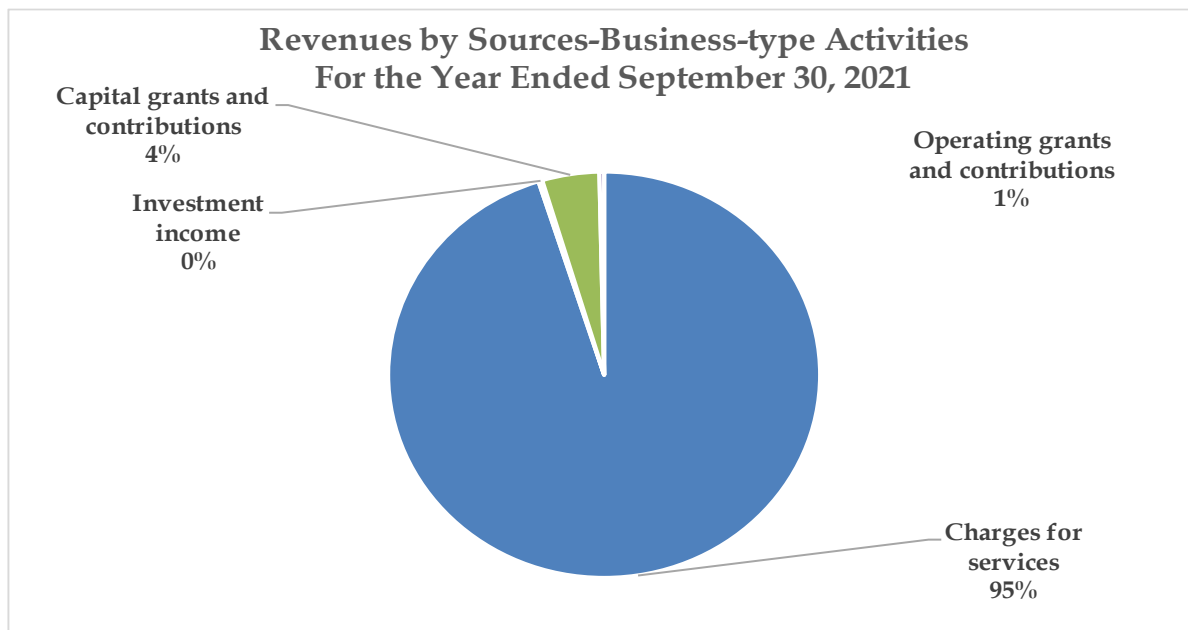
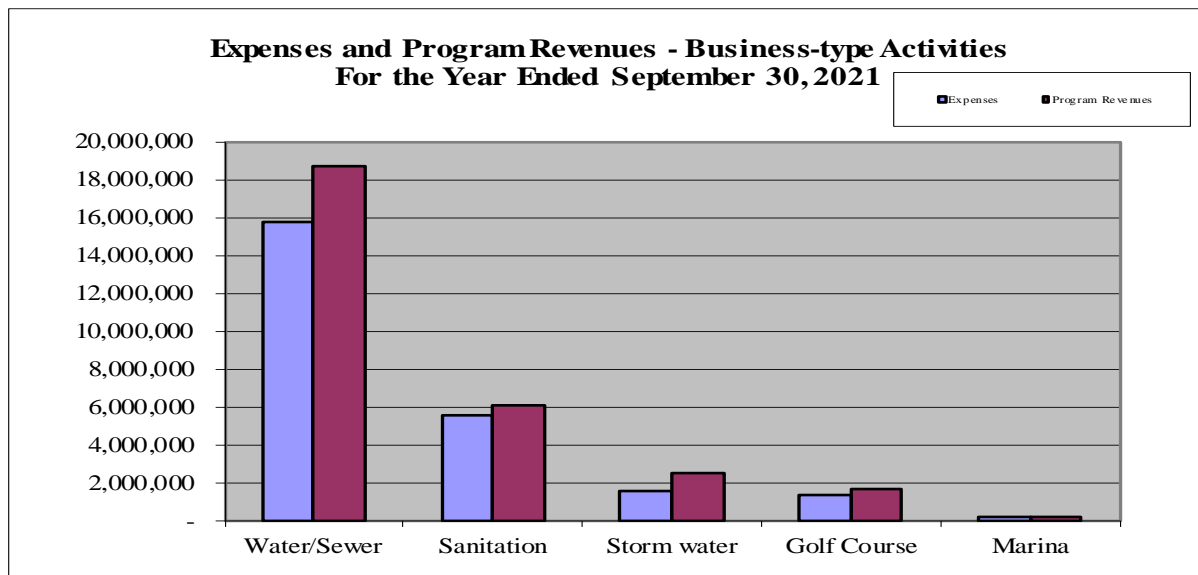
Business-type activities.

Business-type activities (enterprise funds) increased the City's net position by \$2,814,307, accounting for 54% 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 \$2,424,694 in comparison to the previous year. The major changes were:

Revenue Type	Increase	Description
Charges for Services:		
Sanitation Fees	\$ 109,407	1.63% Contractor Rate Increase
Tipping Fees	\$ 75,530	Increase in Tipping Fee Sales
Mere's Settlement	\$ 300,000	Insurance Reimbursement
Water Sales	\$ 309,992	2.75% Rate Increase
CARES Act	\$ 99,622	COVID Grant Funding
Sewer Sales	\$ 289,608	2.75% Rate Increase
Stormwater Sales	\$ 75,097	\$.50 increase per ESU
Sewer Impacts	\$ 28,335	Improved Economy
Water Impacts	\$ 71,445	Improved Economy
Golf Course Fees	\$ 460,349	Increase in Sales
Operating Grants/Contributions:		
SWFMD-Stormwater Fund	\$ 596,609	Grant funding for Capital Projects
Total	\$ 2,415,994	

Total Business-type activity expenses increased \$945,761 in comparison to the previous year. This increase is mostly due personnel and operating costs increases in the Water-Sewer, Sanitation and Stormwater Funds.



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 \$24,622,733, an increase of \$1,838,988 in comparison with the prior year. The majority of this total amount (\$8,772,084) 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 (\$6,518,881), 2) committed for sidewalks (\$1,979,623) and perpetual care of the cemetery (\$993,796), and 3) assigned for compensated absences (\$800,038) and perpetual exclusive easement (\$720,000).

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 \$8,772,084, while total fund balance was \$15,122,287. 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 32% of total General Fund expenditures.

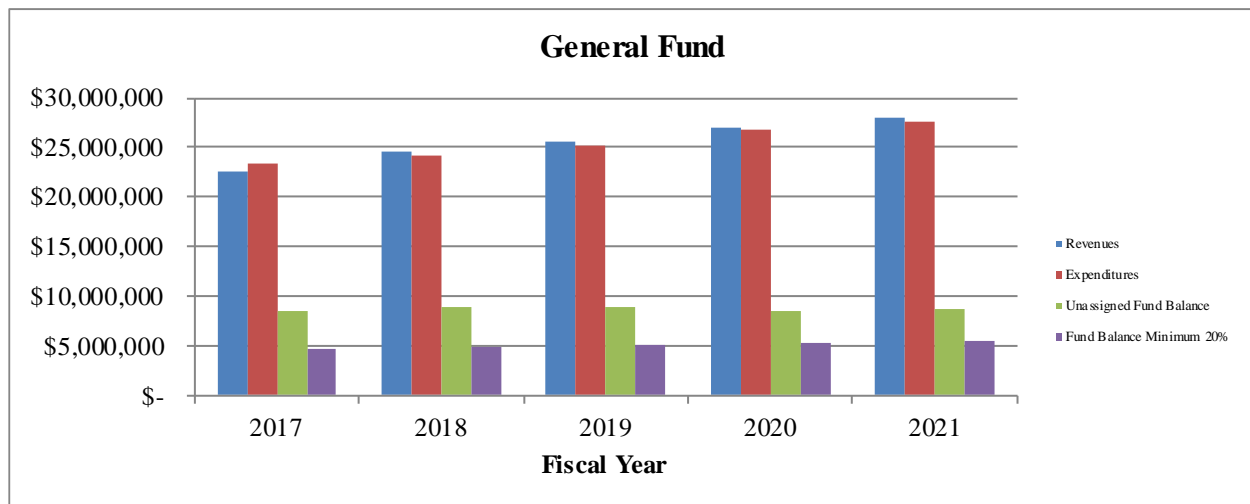
The fund balance of the City's General Fund increased by \$385,189 during the current fiscal year, an increase in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In totaled \$27,951,209, an increase of \$1,000,636 over the previous fiscal year. The major increases were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 586,166	Taxable Assessed Value increase of 6.14%
Cares Act	\$ 424,706	Federal grant support due to COVID 19
Total	\$ 1,010,872	

Expenditures including Transfers Out totaled \$27,566,020, an increase of \$731,497 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 \$400,219 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$557,221 an increase of \$37,706 over the previous fiscal year due to property tax values increasing. Property Tax receipts (City portion) increased \$31,511 and Tax Increment Financing receipts

(County portion) increased \$31,446. The CRA received a \$25,000 planning grant from Pinellas County in FY 2020.

- Expenditures were \$957,440, an increase of \$711,022 over the previous fiscal year. The increase is due to the purchase of land at 61 W. Tarpon Avenue in the amount of \$659,689.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund increased by \$1,643,100 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$3,328,492 an increase of \$248,204 over the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$515,282 over the previous fiscal year. The City received \$300,000 from Pinellas County for their part in the Anclote Dredging project in FY 2020. The City also received \$73,049 in grant funding from the State for Anclote River spoil site funding.
- Expenditures were \$1,685,392, a decrease of \$2,346,527 under the previous fiscal year. The major Capital items were for, Police Body Cameras, Meres Blvd construction, Tarpon Ave. Roadway Reconfiguration, Court St improvements and Anclote River Dredging.

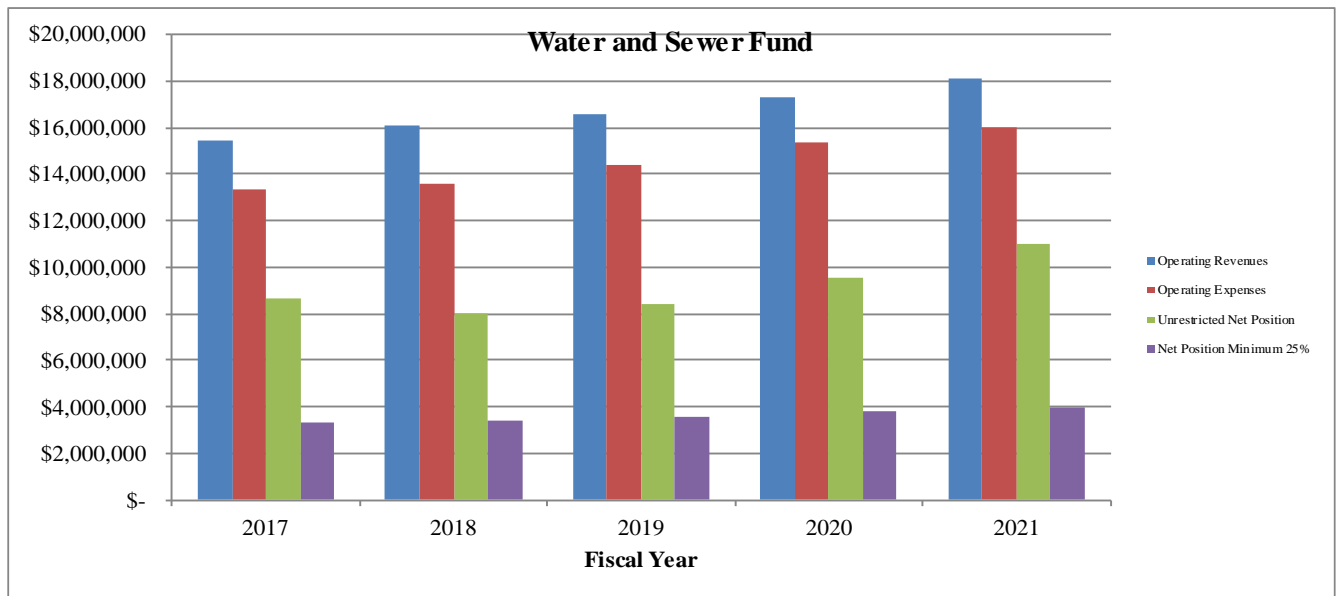
Proprietary Funds.

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 \$11,863,602, and total growth in net position for the year was \$1,668,119, an increase over the change noted in the previous fiscal year. This year operating revenues increased \$833,466, of this amount water sales increased \$309,992 or 3.2% and sewer sales increased \$289,608 or 4.42%. Water use billed increased 22 million gallons or 2.44% in comparison with the previous fiscal year. Operating expenses increased \$610,720, the increase was incremental across all expenditure categories of personnel and operating.

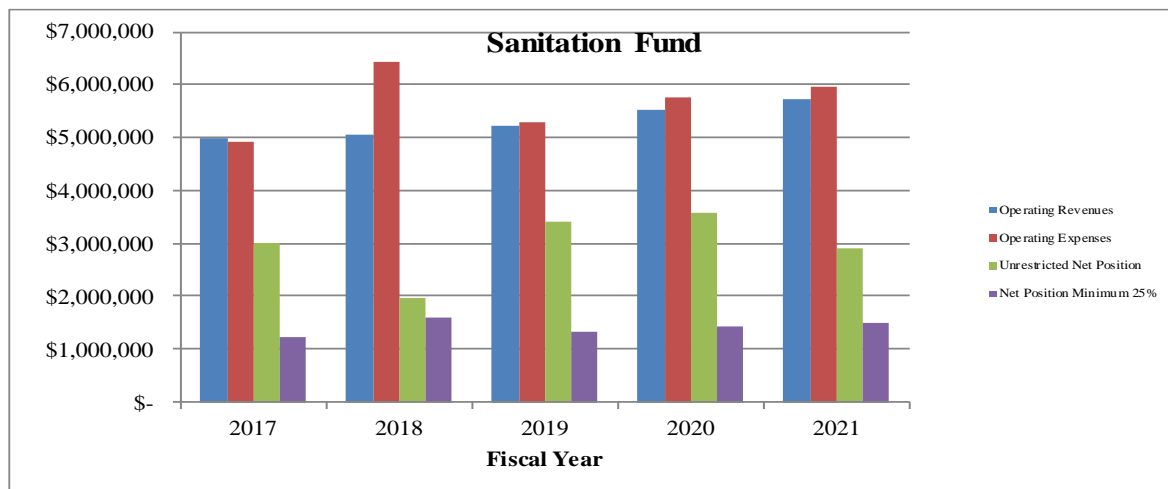
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$2,914,051, and total growth in net position for the year was \$58,447, an increase over the change noted in the previous fiscal year. Fiscal Year 2021 was the last year of the five-year contract with the City's garbage contractor. This year operating revenues increased \$207,354, sanitation fees increased \$109,407 or 2.55% (1.63% rate increase), the City also received an insurance reimbursement of \$300,000 in relation to the Mere's Blvd settlement. Operating expenses increased \$138,811 due to contractor rate increase. 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 \$2,469,047. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$787,527 for outstanding encumbrances from FY 2020 carried over to FY 2021.
- An increase of \$282,001 for outstanding donations from FY 2020 carried over to FY 2021.
- An increase of \$322,740 million for Cemetery Capital Projects and \$444,962 for CARES Act reimbursement related to COVID-19.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$1,689,612. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$471,302 (majority is related to Cemetery Capital Projects) in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$239,307 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, 2021, amounts to \$149,853,785 (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 .06% (\$91,208). Separately there was a -1.17% (\$638,995) decrease for governmental activities and a .77% (\$730,203) increase for business-type activities.

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

Governmental activities – Anclothe River Dredging, Court St Improvements, Meres Blvd. Construction, Cemetery Expansion, Fire and Police vehicles.

Business-type activities – Pent and Grosse Stormwater, Golf Course Drainage, Water Pipe Replacement, Manhole and Sewer Line Replacement and Rehabilitation of Lift Stations.

Capital Assets at Year-End Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land and land rights	\$ 7,430,711	\$ 6,721,897	\$ 3,459,687	\$ 3,459,687	\$ 10,890,398	\$ 10,181,584
Buildings and improvements	8,988,150	9,674,257	1,240,874	1,302,100	10,229,024	10,976,357
Improvements other than buildings	13,902,789	12,101,186	83,625,754	85,442,664	97,528,543	97,543,850
Machinery and equipment	2,978,713	3,760,273	2,111,900	2,325,076	5,090,613	6,085,349
Infrastructure	16,821,630	17,850,159	-	-	16,821,630	17,850,159
Total	50,121,993	50,107,772	90,438,215	92,529,527	140,560,208	142,637,299
Construction in progress	4,058,364	4,711,580	5,235,213	2,413,698	9,293,577	7,125,278
Total	<u>\$ 54,180,357</u>	<u>\$ 54,819,352</u>	<u>\$ 95,673,428</u>	<u>\$ 94,943,225</u>	<u>\$ 149,853,785</u>	<u>\$ 149,762,577</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note III-C in the notes.

Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 54,819,352	\$ 94,943,225	\$ 149,762,577
Additions	4,112,858	2,970,411	7,083,269
Construction in progress	(653,216)	2,821,515	2,168,299
Net Retirements	(34,647)	(2,327)	(36,974)
Depreciation	<u>(4,063,990)</u>	<u>(5,059,396)</u>	<u>(9,123,386)</u>
Ending Balance	<u>\$ 54,180,357</u>	<u>\$ 95,673,428</u>	<u>\$ 149,853,785</u>

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$30,568,902 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$1,213,191 (3.82%), during the current fiscal year. Utility System Revenue Bonds, Series 2013A had a principal payment of \$975,000 and the capital lease on the fire ladder truck had a principal payment of \$216,743.

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

Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Capital Leases	\$ 677,378	\$ 894,121	\$ -	\$ -	\$ 677,378	\$ 894,121
Utility Revenue Bonds	-	-	29,891,524	30,887,972	29,891,524	30,887,972
Total	<u>\$ 677,378</u>	<u>\$ 894,121</u>	<u>\$ 29,891,524</u>	<u>\$ 30,887,972</u>	<u>\$ 30,568,902</u>	<u>\$ 31,782,093</u>

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 in 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 2021. The number of building permits pulled has increased over the previous fiscal years. Property values have also been increasing within the City.

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

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

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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,162,923	\$ 9,720,608	\$ 25,883,531
Investments	17,726,807	4,450,149	22,176,956
Receivables (net of allowance)	1,259,894	2,182,006	3,441,900
Due from other governments	1,162,381	39,046	1,201,427
Internal balances	547,620	(547,620)	-
Inventories	33,811	197,046	230,857
Prepaid items	12,163	29,107	41,270
Net pension asset	1,252,962	-	1,252,962
Restricted assets:			
Cash and cash equivalents	-	7,174,473	7,174,473
Investments	-	807,789	807,789
Receivables	-	6,217	6,217
Capital Assets:			
Land and land rights	7,430,711	3,459,687	10,890,398
Buildings and improvements	25,275,354	2,063,320	27,338,674
Improvements other than buildings	24,069,920	137,554,686	161,624,606
Machinery and equipment	12,786,147	8,542,719	21,328,866
Infrastructure	48,504,397	-	48,504,397
Construction in progress	4,058,364	5,235,213	9,293,577
Accumulated depreciation	(67,944,536)	(61,182,197)	(129,126,733)
Total Assets	92,338,918	119,732,249	212,071,167
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	1,062,350	92,108	1,154,458
Deferred outflows of resources related to pension plans.	735,238	-	735,238
Total Deferred Outflows of Resources	1,797,588	92,108	1,889,696
LIABILITIES			
Accounts payable	869,094	1,542,525	2,411,619
Accrued liabilities	441,757	142,780	584,537
Contracts payable	8,550	588,995	597,545
Deposits	15,543	-	15,543
Unearned revenue	9,929,660	29,694	9,959,354
Payable from restricted assets:			
Customer deposits	-	1,875,693	1,875,693
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	995,000	995,000
Capital leases payable	219,093	-	219,093
Compensated absences	73,064	15,262	88,326
Claims payable	11,703	-	11,703
Due In More Than One Year:			
Bonds payable	-	28,896,524	28,896,524
Capital leases payable	458,285	-	458,285
Total OPEB liability	3,679,758	319,045	3,998,803
Compensated absences	746,847	365,751	1,112,598
Net pension liability	1,371,922	-	1,371,922
Claims payable	215,640	-	215,640
Total Liabilities	18,040,916	34,771,269	52,812,185
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	5,260	456	5,716
Deferred inflows of resources related to pension plans	4,876,215	-	4,876,215
Total Deferred Inflows of Resources	4,881,475	456	4,881,931
NET POSITION			
Net investment in capital assets	53,188,924	64,616,646	117,805,570
Restricted for :			
Capital projects - optional sales tax	4,698,104	-	4,698,104
Capital projects - impact fee programs	1,403,782	3,152,267	4,556,049
Transportation	416,995	-	416,995
CRA	315,879	-	315,879
Law enforcement programs	239,057	-	239,057
Grant programs	130,053	-	130,053
Special programs	241,429	-	241,429
Other contractual obligations	1,110,429	-	1,110,429
Loan receivable	200,000	-	200,000
Bond reserve	-	2,045,894	2,045,894
Bond renewal and replacement	-	907,694	907,694
Unrestricted	9,269,463	14,330,131	23,599,594
Total Net Position	\$ 71,214,115	\$ 85,052,632	\$ 156,266,747

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, 2021

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		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General government	\$ 4,801,604	\$ 690,081	\$ -	\$ 14,626	\$ (4,096,897)	\$ -	\$ (4,096,897)
Public safety	15,769,750	3,519,389	115,287	110,121	(12,024,953)	-	(12,024,953)
Physical environment	1,630,085	239,715	16,110	-	(1,374,260)	-	(1,374,260)
Transportation	2,596,468	-	101,258	159,625	(2,335,585)	-	(2,335,585)
Economic environment	562,146	-	463,417	-	(98,729)	-	(98,729)
Culture/recreation	4,549,677	181,429	426,325	153,746	(3,788,177)	-	(3,788,177)
Interest on long-term debt	22,194	-	-	-	(22,194)	-	(22,194)
Total governmental activities	<u>29,931,924</u>	<u>4,630,614</u>	<u>1,122,397</u>	<u>438,118</u>	<u>(23,740,795)</u>	<u>-</u>	<u>(23,740,795)</u>
Business-Type Activities:							
Water/Sewer	15,728,538	18,122,919	99,622	504,886	-	2,998,889	2,998,889
Sanitation	5,496,705	6,020,546	-	-	-	523,841	523,841
Storm Water	1,549,181	1,747,570	1,860	741,096	-	941,345	941,345
Golf Course	1,330,592	1,632,985	-	-	-	302,393	302,393
Marina	143,807	128,511	-	-	-	(15,296)	(15,296)
Total business-type activities	<u>24,248,823</u>	<u>27,652,531</u>	<u>101,482</u>	<u>1,245,982</u>	<u>-</u>	<u>4,751,172</u>	<u>4,751,172</u>
Total primary government	<u>\$ 54,180,747</u>	<u>\$ 32,283,145</u>	<u>\$ 1,223,879</u>	<u>\$ 1,684,100</u>	<u>(23,740,795)</u>	<u>4,751,172</u>	<u>(18,989,623)</u>
General Revenues:							
Taxes:							
Property taxes					10,563,392	-	10,563,392
Property taxes -Tax Increment							
Financing (TIF) - County portion					276,100	-	276,100
Utility taxes					3,509,721	-	3,509,721
Communication service taxes					883,221	-	883,221
Half-cent sales tax					1,851,893	-	1,851,893
Local option gas tax					318,785	-	318,785
Local option sales tax					3,134,052	-	3,134,052
Local business tax					147,305	-	147,305
Other taxes					63,848	-	63,848
Franchise fees					2,007,395	-	2,007,395
State revenue sharing					980,405	-	980,405
Investment income					40,194	82,522	122,716
Miscellaneous					336,612	-	336,612
Transfers					2,019,387	(2,019,387)	-
Total General Revenues					<u>26,132,310</u>	<u>(1,936,865)</u>	<u>24,195,445</u>
Change in Net Position					2,391,515	2,814,307	5,205,822
Net Position - Beginning					<u>68,822,600</u>	<u>82,238,325</u>	<u>151,060,925</u>
Net Position - Ending					<u>\$ 71,214,115</u>	<u>\$ 85,052,632</u>	<u>\$ 156,266,747</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, 2021

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,009,320	\$ 516,471	\$ 6,519,110	\$ 3,659,874	\$ 2,887,120	\$ 15,591,895
Investments	15,034,241	103,510	-	437,020	1,653,187	17,227,958
Accrued interest receivable	30,917	180	-	698	1,792	33,587
Accounts receivable - net of allowance for doubtful accounts	422,098	-	-	-	-	422,098
Loan receivable	200,000	-	-	-	-	200,000
Taxes receivable	603,612	-	-	-	-	603,612
Due from other funds (deficit in pooled cash)	314,909	-	-	-	-	314,909
Due from other governments	302,172	-	16,110	789,136	54,963	1,162,381
Advance to other fund	655,860	-	-	-	-	655,860
Prepaid items	12,163	-	-	-	-	12,163
Total Assets	<u>\$ 19,585,292</u>	<u>\$ 620,161</u>	<u>\$ 6,535,220</u>	<u>\$ 4,886,728</u>	<u>\$ 4,597,062</u>	<u>\$ 36,224,463</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 497,472	\$ 3,101	\$ -	\$ 179,376	\$ 115,711	\$ 795,660
Accrued liabilities	428,167	1,001	-	-	-	429,168
Contracts payable	-	-	-	8,550	-	8,550
Deposits	15,543	-	-	-	-	15,543
Advance from other fund	-	300,000	-	-	123,149	423,149
Unearned revenue	3,490,906	-	6,405,167	-	-	9,896,073
Total Liabilities	<u>4,432,088</u>	<u>304,102</u>	<u>6,405,167</u>	<u>187,926</u>	<u>238,860</u>	<u>11,568,143</u>
Deferred Inflows of Resources:						
Unavailable revenue	30,917	180	-	698	1,792	33,587
Total Deferred Inflows of Resources	<u>30,917</u>	<u>180</u>	<u>-</u>	<u>698</u>	<u>1,792</u>	<u>33,587</u>
Fund Balances:						
Nonspendable	868,023	-	-	-	-	868,023
Restricted	408,595	315,879	130,053	4,698,104	2,301,263	7,853,894
Committed	1,670,606	-	-	-	2,055,147	3,725,753
Assigned	3,402,979	-	-	-	-	3,402,979
Unassigned	8,772,084	-	-	-	-	8,772,084
Total Fund Balances	<u>15,122,287</u>	<u>315,879</u>	<u>130,053</u>	<u>4,698,104</u>	<u>4,356,410</u>	<u>24,622,733</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,585,292</u>	<u>\$ 620,161</u>	<u>\$ 6,535,220</u>	<u>\$ 4,886,728</u>	<u>\$ 4,597,062</u>	<u>\$ 36,224,463</u>

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

CITY OF TARPON SPRINGS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Fund balances - total governmental funds \$ 24,622,733

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	\$ 121,423,540	
Less accumulated depreciation	<u>(67,502,682)</u>	53,920,858

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.	735,238	
Deferred outflows of resources related to opeb.	<u>1,055,924</u>	1,791,162

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

Capital leases payable	(677,378)	
Compensated absences	(800,038)	
Accrued interest on long-term liabilities	(5,787)	
Other postemployment benefits	<u>(3,657,500)</u>	(5,140,703)

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	(118,960)	
Deferred inflows of resources related to opeb	(5,228)	
Deferred inflows of resources related to pension plans	<u>(4,876,215)</u>	(5,000,403)

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.

1,020,468

Net position of governmental activities.	\$ <u><u>71,214,115</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, 2021

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 14,827,228	\$ 276,412	\$ -	\$ 3,134,052	\$ 318,785	\$ 18,556,477
Permits and fees	2,682,843	-	-	-	365,070	3,047,913
Intergovernmental	3,885,098	276,100	31,058	73,049	24,838	4,290,143
Charges for services	3,043,867	-	-	-	45	3,043,912
Fines and forfeitures	286,062	-	-	-	24,220	310,282
Other	1,006,724	4,709	334	121,391	10,921	1,144,079
Total Revenues	<u>25,731,822</u>	<u>557,221</u>	<u>31,392</u>	<u>3,328,492</u>	<u>743,879</u>	<u>30,392,806</u>
Expenditures:						
Current:						
General Government:						
Board of commissioners	146,622	-	-	-	-	146,622
City manager	325,694	-	-	-	-	325,694
Financial administration	558,997	-	-	-	-	558,997
Human resources	295,410	-	-	-	-	295,410
Purchasing	228,555	-	-	-	-	228,555
Management information services	733,392	-	-	-	-	733,392
City attorney	181,486	-	-	-	-	181,486
Planning	505,842	-	-	-	-	505,842
City clerk	364,744	-	-	-	-	364,744
Projection administration	89,269	-	-	-	-	89,269
Non-departmental	818,292	-	-	-	-	818,292
	<u>4,248,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,248,303</u>
Public Safety:						
Police	8,687,669	-	-	-	57,475	8,745,144
Fire/ems/emergency management	5,891,599	-	14,948	-	-	5,906,547
Protective inspections	1,060,672	-	-	-	-	1,060,672
	<u>15,639,940</u>	<u>-</u>	<u>14,948</u>	<u>-</u>	<u>57,475</u>	<u>15,712,363</u>
Physical Environment:						
City buildings/grounds	951,370	-	-	-	-	951,370
Cemetery	392,436	-	-	-	-	392,436
Other	105,671	-	487	-	-	106,158
	<u>1,449,477</u>	<u>-</u>	<u>487</u>	<u>-</u>	<u>-</u>	<u>1,449,964</u>
Transportation:						
Roads and streets	1,258,061	-	-	-	-	1,258,061
	<u>1,258,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258,061</u>
Economic Environment:						
Economic development	128,543	244,805	-	-	-	373,348
	<u>128,543</u>	<u>244,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,348</u>
Culture and Recreation:						
Library	1,492,108	-	-	-	-	1,492,108
Parks and recreation	1,801,189	-	-	-	-	1,801,189
Cultural	547,590	-	-	-	-	547,590
Other	-	-	-	-	10,842	10,842
	<u>3,840,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,842</u>	<u>3,851,729</u>
Capital Outlay	1,000,809	712,635	-	1,445,793	280,601	3,439,838
Debt Service	-	-	-	239,599	-	239,599
Total Expenditures	<u>27,566,020</u>	<u>957,440</u>	<u>15,435</u>	<u>1,685,392</u>	<u>348,918</u>	<u>30,573,205</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,834,198)</u>	<u>(400,219)</u>	<u>15,957</u>	<u>1,643,100</u>	<u>394,961</u>	<u>(180,399)</u>
Other Financing Sources (Uses):						
Transfers in	2,219,387	-	-	-	150,000	2,369,387
Transfers out	-	-	-	-	(350,000)	(350,000)
Total Other Financing Sources (Uses)	<u>2,219,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>2,019,387</u>
Net Change in Fund Balances	385,189	(400,219)	15,957	1,643,100	194,961	1,838,988
Fund Balances - Beginning of Year	14,737,098	716,098	114,096	3,055,004	4,161,449	22,783,745
Fund Balances - End of Year	<u>\$ 15,122,287</u>	<u>\$ 315,879</u>	<u>\$ 130,053</u>	<u>\$ 4,698,104</u>	<u>\$ 4,356,410</u>	<u>\$ 24,622,733</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, 2021

Net change in fund balances - total governmental funds		\$	1,838,988
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	\$	3,439,838	
Less current year depreciation		<u>(4,027,545)</u>	(587,707)
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.			(34,647)
Repayment of long term debt principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net position. Current year amounts are:			
Capital lease principal payments			216,742
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.		(2,207,582)	
Deferred outflows of resources related to opeb.		<u>513,335</u>	(1,694,247)
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			(1,020,694)
Revenues which do not provide current financial resources and are not reported in the governmental funds.			
Current year change in accrued interest			(89,441)
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 accrued interest		663	
Current year change in compensated absences		675,708	
Net pension liability		7,801,197	
Deferred inflows of resources related to opeb		(5,228)	
Deferred inflows of resources related to pension plans		<u>(4,353,298)</u>	4,119,042
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>(356,521)</u>
Change in net position of governmental activities.	\$		<u><u>2,391,515</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 14,540,060	\$ 14,540,060	\$ 14,827,228	\$ 287,168
Permits and fees	2,476,354	2,476,354	2,682,843	206,489
Intergovernmental	2,902,790	3,478,610	3,885,098	406,488
Charges for services	3,168,510	3,168,510	3,043,867	(124,643)
Fines and forfeitures	147,611	169,232	286,062	116,830
Other	960,952	1,070,906	1,006,724	(64,182)
Total Revenues	24,196,277	24,903,672	25,731,822	828,150
Expenditures:				
Current:				
General Government:				
Board of commissioners	145,922	146,632	146,622	10
City manager	328,517	328,517	325,694	2,823
Financial administration	589,806	605,895	558,997	46,898
Human resources	302,443	306,332	295,410	10,922
Purchasing	253,583	253,583	228,555	25,028
Management information services	731,992	829,319	733,392	95,927
City attorney	182,841	204,462	181,486	22,976
Planning	569,103	624,584	505,842	118,742
City clerk	400,908	405,550	364,744	40,806
Project administration	103,973	103,973	89,269	14,704
Non-departmental	907,449	1,057,599	818,292	239,307
	4,516,537	4,866,446	4,248,303	618,143
Public Safety:				
Police	8,466,265	8,714,649	8,687,669	26,980
Fire/ems/emergency management	5,680,891	5,898,727	5,891,599	7,128
Protective inspections	1,048,317	1,093,340	1,060,672	32,668
	15,195,473	15,706,716	15,639,940	66,776
Physical Environment:				
City buildings/grounds	805,307	923,702	951,370	(27,668)
Cemetery	378,790	387,710	392,436	(4,726)
Tree bank	190,000	190,000	105,671	84,329
	1,374,097	1,501,412	1,449,477	51,935
Transportation:				
Roads and streets	1,131,256	1,256,456	1,258,061	(1,605)
Economic Environment:				
Economic development	129,551	129,551	128,543	1,008
Culture and Recreation:				
Library	1,499,058	1,653,003	1,492,108	160,895
Parks and recreation	1,804,840	1,884,906	1,801,189	83,717
Cultural	733,415	785,031	547,590	237,441
	4,037,313	4,322,940	3,840,887	482,053
Capital Outlay	402,358	1,472,111	1,000,809	471,302
Total Expenditures	26,786,585	29,255,632	27,566,020	1,689,612
Excess of Revenues Over (Under) Expenditures	(2,590,308)	(4,351,960)	(1,834,198)	2,517,762
Other Financing Sources:				
Transfers in	2,219,387	2,219,387	2,219,387	-
Total Other Financing Sources	2,219,387	2,219,387	2,219,387	-
Net Change in Fund Balances	(370,921)	(2,132,573)	385,189	2,517,762
Fund Balances - Beginning of Year	14,737,098	14,737,098	14,737,098	-
Fund Balances - End of Year	\$ 14,366,177	\$ 12,604,525	\$ 15,122,287	\$ 2,517,762

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 279,609	\$ 279,609	\$ 276,412	\$ (3,197)
Intergovernmental	279,291	279,291	276,100	(3,191)
Other	-	-	4,709	4,709
Total Revenues	558,900	558,900	557,221	(1,679)
Expenditures:				
Current:				
Economic Environment:				
Other	278,626	397,654	244,805	152,849
Capital Outlay	280,274	981,709	712,635	269,074
Total Expenditures	558,900	1,379,363	957,440	421,923
Deficiency of Revenues Under Expenditures	-	(820,463)	(400,219)	420,244
Other Financing Sources:				
Issuance of debt	-	300,000	-	(300,000)
Total Other Financing Sources	-	300,000	-	(300,000)
Net Change in Fund Balances	-	(520,463)	(400,219)	120,244
Fund Balances - Beginning of Year	716,098	716,098	716,098	-
Fund Balances - End of Year	\$ 716,098	\$ 195,635	\$ 315,879	\$ 120,244

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
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,000	\$ 32,950	\$ 31,058	\$ (1,892)
Other	-	-	334	334
Total Revenues	<u>18,000</u>	<u>32,950</u>	<u>31,392</u>	<u>(1,558)</u>
Expenditures:				
Current:				
Public Safety:				
Fire	-	14,950	14,948	2
Physical Environment:				
Other	50,000	50,000	487	49,513
Total Expenditures	<u>50,000</u>	<u>64,950</u>	<u>15,435</u>	<u>49,515</u>
Net Change in Fund Balances	(32,000)	(32,000)	15,957	47,957
Fund Balances - Beginning of Year	<u>114,096</u>	<u>114,096</u>	<u>114,096</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 82,096</u>	<u>\$ 82,096</u>	<u>\$ 130,053</u>	<u>\$ 47,957</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities			Total	Governmental Activities - Internal Service Funds
	Enterprise Funds		Non-Major Enterprise Funds		
	Sanitation	Water and Sewer			
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,457,375	\$ 7,574,080	\$ 689,152	\$ 9,720,607	\$ 571,028
Investments	1,060,108	3,390,042	-	4,450,150	498,849
Receivables:					
Interest	769	2,255	-	3,024	597
Accounts - billed (net)	292,284	986,581	124,194	1,403,059	-
Accounts - unbilled	172,633	541,172	62,118	775,923	-
Due from other governments	-	39,046	-	39,046	-
Advance to other fund	516,842	-	-	516,842	-
Inventories	-	173,864	23,182	197,046	33,811
Prepaid items	-	26,607	2,500	29,107	-
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	617,939	1,253,363	-	1,871,302	-
Total Current Assets	<u>4,117,950</u>	<u>13,987,010</u>	<u>901,146</u>	<u>19,006,106</u>	<u>1,104,285</u>
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	2,348,955	-	2,348,955	-
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	907,694	-	907,694	-
Construction fund	-	628	-	628	-
Investments:					
Impact fees	-	807,789	-	807,789	-
Receivables:					
Accrued interest	-	419	-	419	-
Accounts receivable - billed (net)	-	5,798	-	5,798	-
Capital Assets:					
Land and land rights	421,435	2,566,730	471,522	3,459,687	-
Buildings and improvements	101,713	1,450,882	510,725	2,063,320	44,756
Improvements other than buildings	188,034	129,648,067	7,718,585	137,554,686	529,962
Machinery and equipment	888,639	5,415,837	2,238,243	8,542,719	126,635
Accumulated depreciation	(863,514)	(55,389,201)	(4,929,482)	(61,182,197)	(441,854)
Construction in progress	774,702	2,835,814	1,624,697	5,235,213	-
Total Non-Current Assets	<u>1,511,009</u>	<u>92,645,306</u>	<u>7,634,290</u>	<u>101,790,605</u>	<u>259,499</u>
Total Assets	<u>5,628,959</u>	<u>106,632,316</u>	<u>8,535,436</u>	<u>120,796,711</u>	<u>1,363,784</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	11,165	61,901	19,042	92,108	6,426
Total Deferred Outflows of Resources	<u>11,165</u>	<u>61,901</u>	<u>19,042</u>	<u>92,108</u>	<u>6,426</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	55,804	1,115,917	370,804	1,542,525	73,434
Accrued liabilities	12,675	110,729	19,376	142,780	6,802
Contracts payable	469,142	49,832	70,021	588,995	-
Due to other fund (deficit in pooled cash)	-	-	314,909	314,909	-
Advance from other fund	-	-	749,553	749,553	-
Bonds payable	-	995,000	-	995,000	-
Claims payable	-	-	-	-	11,703
Compensated absences	1,001	12,267	1,994	15,262	2,200
Unearned revenue	-	11,971	17,723	29,694	-
Current Liabilities (payable from restricted assets):					
Customer deposits	617,939	1,253,363	4,391	1,875,693	-
Total Current Liabilities	<u>1,156,561</u>	<u>3,549,079</u>	<u>1,548,771</u>	<u>6,254,411</u>	<u>94,139</u>
Non-Current Liabilities:					
Bonds payable	-	28,896,524	-	28,896,524	-
Claims payable	-	-	-	-	215,640
Total OPEB liability	38,676	214,413	65,956	319,045	22,258
Compensated absences	19,772	290,764	55,215	365,751	17,673
Total Non-Current Liabilities	<u>58,448</u>	<u>29,401,701</u>	<u>121,171</u>	<u>29,581,320</u>	<u>255,571</u>
Total Liabilities	<u>1,215,009</u>	<u>32,950,780</u>	<u>1,669,942</u>	<u>35,835,731</u>	<u>349,710</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to OPEB.	55	306	95	456	32
Total Deferred Inflows of Resources	<u>55</u>	<u>306</u>	<u>95</u>	<u>456</u>	<u>32</u>
NET POSITION					
Net investment in capital assets	1,511,009	55,773,674	7,331,963	64,616,646	259,499
Restricted for:					
Revenue bond reserve requirements	-	2,045,894	-	2,045,894	-
Revenue bond renewal and replacement requirements	-	907,694	-	907,694	-
Capital projects - impact fee program	-	3,152,267	-	3,152,267	-
Unrestricted	2,914,051	11,863,602	(447,522)	14,330,131	760,969
Total Net Position	<u>\$ 4,425,060</u>	<u>\$ 73,743,131</u>	<u>\$ 6,884,441</u>	<u>\$ 85,052,632</u>	<u>\$ 1,020,468</u>

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, 2021

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Operating Revenues:					
Charges for services	\$ 5,720,546	\$ 17,831,627	\$ 3,506,014	\$ 27,058,187	\$ 1,870,758
Other	-	291,292	2,129	293,421	-
Total Operating Revenues	5,720,546	18,122,919	3,508,143	27,351,608	1,870,758
Operating Expenses:					
Personnel services	584,291	5,563,608	1,096,581	7,244,480	373,009
Contractual services	4,699,903	976,508	989,639	6,666,050	39,742
Supplies	47,469	1,362,356	243,414	1,653,239	421,892
Repairs and maintenance	46,800	979,956	252,597	1,279,353	314,162
Utilities	4,524	1,146,041	76,303	1,226,868	1,140
Claims	-	-	-	-	292,013
Insurance	-	-	-	-	749,564
Depreciation	103,384	4,590,966	365,046	5,059,396	36,444
Total Operating Expenses	5,486,371	14,619,435	3,023,580	23,129,386	2,227,966
Operating Income (Loss)	234,175	3,503,484	484,563	4,222,222	(357,208)
Non-Operating Revenues (Expenses):					
Investment income	10,519	68,167	1,543	80,229	3,856
Net change in fair value of investments	(1,578)	(15,559)	(2,018)	(19,155)	(3,169)
Intergovernmental grants	-	99,622	1,860	101,482	-
Interest expense	(7,224)	(1,085,068)	-	(1,092,292)	-
Insurance reimbursement	300,000	-	-	300,000	-
Amortization of bond premium	-	21,448	-	21,448	-
Other	(3,110)	(24,035)	923	(26,222)	-
Total Non-Operating Revenues (Expenses)	298,607	(935,425)	2,308	(634,510)	687
Income (Loss) before Contributions and Transfers	532,782	2,568,059	486,871	3,587,712	(356,521)
Capital grants and contributions	-	504,886	741,096	1,245,982	-
Transfers out	(474,335)	(1,404,826)	(140,226)	(2,019,387)	-
Total Capital Grants, Contributions and Transfers Out	(474,335)	(899,940)	600,870	(773,405)	-
Change in Net Position	58,447	1,668,119	1,087,741	2,814,307	(356,521)
Net Position - Beginning of Year	4,366,613	72,075,012	5,796,700	82,238,325	1,376,989
Net Position - End of Year	\$ 4,425,060	\$ 73,743,131	\$ 6,884,441	\$ 85,052,632	\$ 1,020,468

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, 2021

	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	\$ 5,800,558	\$ 18,447,012	\$ 3,524,174	\$ 27,771,744	\$ -
Cash payments to suppliers	(4,760,282)	(4,148,020)	(1,365,545)	(10,273,847)	(1,662,215)
Cash payments to employees	(598,652)	(5,611,075)	(1,072,422)	(7,282,149)	(369,487)
Cash received from other funds	-	-	-	-	1,873,006
Other	(3,110)	(24,035)	923	(26,222)	-
Net cash provided (used) by operating activities	<u>438,514</u>	<u>8,663,882</u>	<u>1,087,130</u>	<u>10,189,526</u>	<u>(158,696)</u>
Cash flows from noncapital financing activities:					
Transfers out	(474,335)	(1,404,826)	(140,226)	(2,019,387)	-
Intergovernmental grants	-	99,622	1,860	101,482	-
Interest paid	(7,224)	(14,505)	-	(21,729)	-
Insurance reimbursement	300,000	-	-	300,000	-
Advance to other fund	(193,321)	-	-	(193,321)	-
Advance from other fund	-	100,000	609,181	709,181	50,469
Payment of cash on loans to/from other funds	-	-	(1,004,212)	(1,004,212)	-
Net cash provided (used) by noncapital financing activities	<u>(374,880)</u>	<u>(1,219,709)</u>	<u>(533,397)</u>	<u>(2,127,986)</u>	<u>50,469</u>
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(975,000)	-	(975,000)	-
Interest payments on debt	-	(1,070,563)	-	(1,070,563)	-
Disposal of capital assets	801	1,526	-	2,327	-
Acquisition and construction of capital assets	(823,323)	(3,426,994)	(1,541,609)	(5,791,926)	(19,804)
Contributed capital from other governmental entities	-	5,388	741,096	746,484	-
Contributed capital - impact fees	-	499,498	-	499,498	-
Net cash used for capital and related financing activities	<u>(822,522)</u>	<u>(4,966,145)</u>	<u>(800,513)</u>	<u>(6,589,180)</u>	<u>(19,804)</u>
Cash flows from investing activities:					
Interest on investments	10,519	68,167	1,543	80,229	3,856
Proceeds of investment sales & maturities	1,619,194	9,354,337	500,000	11,473,531	500,000
Purchase of investments	(1,619,705)	(5,625,007)	-	(7,244,712)	(500,000)
Net cash provided by investing activities	<u>10,008</u>	<u>3,797,497</u>	<u>501,543</u>	<u>4,309,048</u>	<u>3,856</u>
Net increase (decrease) in cash and cash equivalents	(748,880)	6,275,525	254,763	5,781,408	(124,175)
Cash and cash equivalents at beginning of year	<u>2,824,194</u>	<u>7,855,089</u>	<u>434,389</u>	<u>11,113,672</u>	<u>695,203</u>
Cash and cash equivalents at end of year	<u>\$ 2,075,314</u>	<u>\$ 14,130,614</u>	<u>\$ 689,152</u>	<u>\$ 16,895,080</u>	<u>\$ 571,028</u>
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 1,457,375	\$ 7,574,080	\$ 689,152	\$ 9,720,607	\$ 571,028
Restricted cash and cash equivalents - current:					
Customer deposits	617,939	1,253,363	-	1,871,302	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	2,348,955	-	2,348,955	-
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	907,694	-	907,694	-
Construction fund	-	628	-	628	-
	<u>\$ 2,075,314</u>	<u>\$ 14,130,614</u>	<u>\$ 689,152</u>	<u>\$ 16,895,080</u>	<u>\$ 571,028</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities				Governmental
	Enterprise Funds				Activities -
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 234,175	\$ 3,503,484	\$ 484,563	\$ 4,222,222	\$ (357,208)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	(3,110)	(24,035)	923	(26,222)	-
Depreciation expense	103,384	4,590,966	365,046	5,059,396	36,444
Change in assets and liabilities:					
Decrease in accounts receivable - interest	5,606	41,473	394	47,473	2,248
Decrease in accounts receivable - billed (net)	54,135	141,016	10,745	205,896	-
Decrease in unbilled accounts receivable	20,271	157,157	7,667	185,095	-
Increase in due from other governments	-	(17,508)	-	(17,508)	-
(Increase) decrease in inventories	-	27,152	(895)	26,257	(516)
Decrease in prepaid items	13	10,954	102	11,069	13
(Increase) decrease in deferred outflow-OPEB	746	(248)	(8,954)	(8,456)	(2,950)
Increase in accounts and contracts payable	11,416	240,116	195,504	447,036	58,596
Increase in accrued liabilities	3,270	15,566	2,948	21,784	2,244
Increase in claims payable	-	-	-	-	98,205
Increase (decrease) in unearned revenue	-	1,649	(2,775)	(1,126)	-
Increase in customer deposits	26,985	38,619	1,697	67,301	-
Increase (decrease) in total OPEB liability	(19,205)	(85,202)	16,931	(87,476)	5,364
Increase (decrease) in compensated absences	773	22,417	13,139	36,329	(1,168)
Increase in deferred inflows of resources-OPEB	55	306	95	456	32
Total adjustments	204,339	5,160,398	602,567	5,967,304	198,512
Net cash provided (used) by operating activities	\$ 438,514	\$ 8,663,882	\$ 1,087,130	\$ 10,189,526	\$ (158,696)

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, 2021

		Employee Retirement Funds
Assets		
Cash and cash equivalents	\$	1,448,059
Accounts receivable		63,128
Interest receivable		76,080
Prepaid benefits		133,881
City Contributions		38,696
Investments, at fair value:		
U.S. Government Securities		10,952,220
Municipals		391,982
International Fixed Income		426,861
Equities Common Stock		46,150,337
Mutual Funds		16,923,616
Corporate Bonds		4,475,940
Real Estate		3,438,614
Total Investments		<u>82,759,570</u>
Total Assets		<u>84,519,414</u>
Liabilities		
Accounts payable		129,286
Total Liabilities		<u>129,286</u>
Net Position		
Restricted for Pension Benefits	\$	<u><u>84,390,128</u></u>

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, 2021

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	\$ 2,327,471
Plan members	618,125
State of Florida	516,596
Total Contributions	<u>3,462,192</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	12,539,090
Interest	1,051,390
Dividends	828,826
	<u>14,419,306</u>
Less Investment Expenses:	
Investment management fees	326,380
	<u>326,380</u>
Net Investment Income	<u>14,092,926</u>
Total Additions	<u>17,555,118</u>
Deductions:	
Benefits	4,558,083
Administrative expense	96,215
Total Deductions	<u>4,654,298</u>
Change in Net Position	12,900,820
Net Position - Beginning of Year	<u>71,489,308</u>
Net Position - End of Year	<u>\$ 84,390,128</u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021

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, 2021, are available from TSHA.

Related Organization – Police Officers Pension Fund:

The City's police officers participate in the Police Officers Pension Plan, a single-employer defined benefit pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two police officers are elected by the membership, two City residents are appointed by the City's Board of Commissioners and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of the contribution levels.

Related Organization – Firefighters Pension Fund:

The City's firefighters participate in the Firefighters Pension Plan, a single-employer defined benefit pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two firefighters are elected by the membership, two City residents are appointed by the City's Board of Commissioners and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial

Notes to the Financial Statements
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valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of the contribution levels.

Related Organization – General Employees’ Pension Fund:

The City’s full-time City employees, (except for Police Officers and Firefighters) and civilian police and fire department employees participate in the General Employees’ Pension Plan, a single-employer defined contribution pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members of the General Employees Retirement Plan are elected by the membership, two members are the Finance Director and the Human Resources Director, and one member is a Commissioner selected by the consensus of the Board of Commissioners. The City contributes 8.7% to the members and the pension board administers the Plan.

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.

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

Notes to the Financial Statements
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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 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, and licenses associated with the current fiscal period are all considered to be susceptible to accrual

City of Tarpon Springs, Florida

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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.

Grants Fund – is a special revenue fund used to account for the activity of certain governmental grants which includes the American Rescue Plan Act (ARPA).

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.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 interfund payables to the General Fund, the fund selected by management to reflect the offsetting interfund receivables in such cases.

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.

City of Tarpon Springs, Florida

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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.

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 \$5,000 and more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Contributed assets

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Notes to the Financial Statements September 30, 2021

are recorded at acquisition 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 \$1,085,068. There was no capitalized interest in Fiscal Year 2021.

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 1st of each year.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, Hospital Lease 2041 – 2070 that was paid in FY 2019, Local Business Taxes and Mausoleum sales.

Unearned revenue in the golf course fund is for gift certificates and rainchecks that will be redeemed in the next fiscal year and sewer impacts/connections in the water-sewer fund.

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.

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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 Differences between Expected and Actual Experience in Pensions and OPEB are revenues of the subsequent year FY 2022, 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 improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$14,861,583 of restricted net position, of which \$5,609,603 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.

City of Tarpon Springs, Florida

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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.

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.

Notes to the Financial Statements
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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.

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.

City of Tarpon Springs, Florida

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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 30th for the 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 30th for the subsequent fiscal year. The unrestricted amount shall be in addition to all other

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 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, 2021 there were no new funds and none were eliminated.

Notes to the Financial Statements
September 30, 2021

E. Recently Issued and Implemented Accounting Pronouncements

The following Government Accounting Standards were effective in fiscal year 2021.

GASB 84 – Fiduciary Activities. This standard is effective for fiscal year end September 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The City's Police, Firefighters' and General Employees' Pensions will still be reported as pension trust funds. This standard is not expected to impact the City's financial statements.

GASB 90 – Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. This standard is effective for fiscal year end September 30, 2021. The primary objective of this statement are to improve the consistency and comparability of reporting a governments majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This standard is not expected to impact the City's financial statements.

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32. A portion of this standard is effective immediately and the remaining standard is effective for fiscal year end September 30, 2022. The primary objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard is not expected to impact the City's financial statements.

GASB 98 – The Annual Comprehensive Financial Report. This standard is effective for fiscal year end September 30, 2022, the City has decided to early implement this standard in fiscal year end September 30, 2021. The primary objective of this statement is to establish the term *annual comprehensive financial report* and its acronym ACFR. This term replaces *comprehensive annual financial report* and the associated acronym with that report. This standard is a terminology change in the City's financial statements.

Notes to the Financial Statements
September 30, 2021

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 2021 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 2021, 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.

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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, 2021 was 5.3700.

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 \$401,075. This is caused by \$2.2 million of capital projects at the golf course since taking over its operation. The interfund transfer to the General Fund was eliminated in FY 2020, limiting Capital expenses to minor items, and rate adjustments will alleviate this deficit.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 \$28,615,338 which consisted of Checking accounts \$3,854,239, BankUnited Public Funds Savings \$12,756,013, and Certificate of Deposits \$12,005,086.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

fiscal year ending September 30, 2021 is .15%. During Fiscal Year 2021, the average cash/investment pool balance was \$50,439,736 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$241,392 (not including bond/debt service earnings) giving an average rate of return of .48% 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 fair 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, 2021

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		\$ 107,900			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		3,849,166			
Bond Proceeds		628			
		<u>3,849,794</u>			
Bank of America - Checking Account					
Operating Funds		4,445			
		<u>4,445</u>			
Public Funds Savings Accounts:					
BankUnited		12,756,013			
		<u>12,756,013</u>			
State Board of Administration (Florida Prime)					
Plan A	49 days	11,501,402	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		<u>11,501,402</u>			
Florida Municipal Investment Trust -					
High Quality Government Fund	0.80	2,153,266	AAAf/S1	Fitch	2
1-3 Year High Quality Bond Fund	1.50	1,545,810	AAAf/S2	Fitch	2
Intermediate High Quality Bond Fund	3.90	1,139,374	AAAf/S3	Fitch	2
Total Florida Municipal Investment Trust		<u>4,838,450</u>			
Total Cash and Cash Equivalents		<u>33,058,004</u>			
Investments:					
Certificate of Deposit - Centennial	10/17/2021	2,000,000	n/a		n/a
Certificate of Deposit - BankUnited	11/16/2021	1,000,000	n/a		n/a
Certificate of Deposit - BankUnited	12/26/2021	1,000,000	n/a		n/a
Certificate of Deposit - BankUnited	1/5/2022	1,000,000	n/a		n/a
Certificate of Deposit - BankUnited	2/16/2022	1,003,261	n/a		n/a
Certificate of Deposit - BankUnited	2/26/2022	1,000,000	n/a		n/a
Certificate of Deposit - Synovus	3/10/2022	2,000,000	n/a		n/a
Certificate of Deposit - BankUnited	5/10/2022	1,000,827	n/a		n/a
Certificate of Deposit - BankUnited	6/10/2022	1,000,998	n/a		n/a
Certificate of Deposit - Synovus	7/5/2022	1,000,000	n/a		n/a
Federal Home Loan Bank Note	2/16/2024	999,426	AA+	S & P	1
Federal Home Loan Bank Note	3/21/2024	1,000,061	AA+	S & P	1
Federal Home Loan Bank Note	4/22/2024	999,494	AA+	S & P	1
Federal Home Loan Bank Note	7/12/2024	999,521	AA+	S & P	1
Federal Home Loan Bank Note	9/10/2024	993,628	AA+	S & P	1
Federal Home Loan Bank Note	12/16/2024	998,625	AA+	S & P	1
Federal Home Loan Bank Note	1/28/2025	998,877	AA+	S & P	1
Federal Home Loan Bank Note	2/26/2025	997,699	AA+	S & P	1
Federal Home Loan Bank Note	3/27/2025	994,519	AA+	S & P	1
Federal Home Loan Bank Note	4/15/2025	999,072	AA+	S & P	1
Federal Home Loan Bank Note	4/29/2026	998,737	AA+	S & P	1
Total Investments		<u>22,984,745</u>			
Total Pooled Cash and Investments		<u>\$ 56,042,749</u>			

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Cash and investments as of September 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position	9/30/2021
Primary Government:	
Cash and cash equivalents	\$ 25,883,531
Investments	22,176,956
Restricted assets:	
Cash and cash equivalents	7,174,473
Investments	807,789
Total Pooled Cash and Investments per ACFR	<u>\$ 56,042,749</u>

Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2021, 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, 2021, 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 fair

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 fair value.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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	\$ 126,722	n/a	1
Investments:			
U. S. Treasuries	608,000	AAA	1
U. S. Government Agencies	2,554,803	AAA	1
Municipals	332,622	Aa1/Aa2/Aa3	2
Municipals	48,604	A1/A2/A3	2
Municipals	10,756	Baa1/Baa2	2
International Fixed Income	157,810	Aa1/Aa2/Aa3	2
International Fixed Income	206,855	A1/A2/A3	2
International Fixed Income	62,196	Baa1/Baa2	2
Domestic Corporate Bonds	95,821	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	767,266	A1/A2/A3	2
Domestic Corporate Bonds	1,407,838	Baa1/Baa2/Baa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	3,438,614	n/a	n/a
Mutual Funds	1,781,890		
Equities Common Stock	23,914,802	n/a	1
Total Investments	<u>35,387,877</u>		
Total Managed Cash and Investments	<u>\$ 35,514,599</u>		

The real estate fund has no unfunded commitments at September 30, 2021. 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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Interest Rate Risk:

Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates and uses the weighted average maturity method. 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 40th percentile and the effective duration of its fixed income investment portfolio will not exceed 125% of the duration of the (LBAB) duration.

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	\$ 1,321,337	n/a	
Investments:			
U. S. Government Agencies	4,429,966	AAA	1
Mortgage-Backed Obligations	3,359,451	Not Rated	2
Domestic Corporate Bonds	2,205,015	A1/A2/A3	2
Equities Common Stock	22,235,535	n/a	1
Total Investments	<u>32,229,967</u>		
Total Managed Cash and Investments	<u>\$ 33,551,304</u>		

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 and uses the weighted average maturity method. 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 40th 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	\$ 15,141,726	n/a

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Interest Rate Risk:

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

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					
	Non-Major					Total
	General	CRA	Optional	Governmental	Internal	
			Sales Tax	Funds	Service	
Interest	\$ 30,917	\$ 180	\$ 698	\$ 1,792	\$ 597	\$ 34,184
Accounts - billed	422,098	-	-	-	-	422,098
Loan	200,000	-	-	-	-	200,000
Taxes	603,612	-	-	-	-	603,612
Total receivables	\$ 1,256,627	\$ 180	\$ 698	\$ 1,792	\$ 597	\$ 1,259,894
Allow. for uncollectibles	-	-	-	-	-	-
Net total receivables	\$ 1,256,627	\$ 180	\$ 698	\$ 1,792	\$ 597	\$ 1,259,894

	Business-type Activities			
	Non-Major			Total
	Sanitation	Water/	Enterprise	
		Sewer	Funds	
Interest	\$ 769	\$ 2,255	\$ -	\$ 3,024
Accounts - billed	355,036	1,143,517	133,061	1,631,614
Accounts - unbilled	172,633	541,172	62,118	775,923
	528,438	1,686,944	195,179	2,410,561
Allow. for uncollectibles	(62,752)	(156,936)	(8,867)	(228,555)
Net total receivables	\$ 465,686	\$ 1,530,008	\$ 186,312	\$ 2,182,006
Restricted:				
Accrued interest	-	419	-	419
Accounts - billed	-	5,798	-	5,798
Total restricted receivables	\$ -	\$ 6,217	\$ -	\$ 6,217

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

C. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 6,721,897	\$ 708,814	\$ -	\$ 7,430,711
Construction in progress	4,711,580	1,715,498	(2,368,714)	4,058,364
Total capital assets, not being depreciated	11,433,477	2,424,312	(2,368,714)	11,489,075
Capital assets, being depreciated:				
Buildings	25,225,867	49,487	-	25,275,354
Improvements other than buildings	21,104,619	2,965,301	-	24,069,920
Machinery and equipment	12,904,146	209,160	(327,159)	12,786,147
Infrastructure	48,324,301	180,096	-	48,504,397
Total capital assets, being depreciated	107,558,933	3,404,044	(327,159)	110,635,818
less accumulated depreciation for:				
Buildings	(15,551,610)	(735,594)	-	(16,287,204)
Improvements other than buildings	(9,003,433)	(1,163,698)	-	(10,167,131)
Machinery and equipment	(9,143,873)	(956,073)	292,512	(9,807,434)
Infrastructure	(30,474,142)	(1,208,625)	-	(31,682,767)
Total accumulated depreciation	(64,173,058)	(4,063,990)	292,512	(67,944,536)
Total capital assets, being depreciated, net	43,385,875	(659,946)	(34,647)	42,691,282
Governmental activities capital assets, net	\$ 54,819,352	\$ 1,764,366	\$ (2,403,361)	\$ 54,180,357
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 3,459,687	\$ -	\$ -	\$ 3,459,687
Construction in progress	2,413,698	4,678,319	(1,856,804)	5,235,213
Total capital assets, not being depreciated	5,873,385	4,678,319	(1,856,804)	8,694,900
Capital assets, being depreciated:				
Buildings	2,043,850	19,470	-	2,063,320
Improvements other than buildings	135,034,628	2,520,058	-	137,554,686
Machinery and equipment	8,529,841	430,883	(418,005)	8,542,719
Total capital assets, being depreciated	145,608,319	2,970,411	(418,005)	148,160,725
less accumulated depreciation for:				
Buildings	(741,750)	(80,696)	-	(822,446)
Improvements other than buildings	(49,591,964)	(4,336,968)	-	(53,928,932)
Machinery and equipment	(6,204,765)	(641,732)	415,678	(6,430,819)
Total accumulated depreciation	(56,538,479)	(5,059,396)	415,678	(61,182,197)
Total capital assets, being depreciated, net	89,069,840	(2,088,985)	(2,327)	86,978,528
Business-type activities capital assets, net	\$ 94,943,225	\$ 2,589,334	\$ (1,859,131)	\$ 95,673,428

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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

Governmental activities:	
General government	\$ 494,580
Public safety	1,224,833
Physical environment	160,615
Transportation	1,317,119
Economic environment	193,220
Culture/recreation	637,179
Internal service funds	<u>36,444</u>
Total depreciation expense - governmental activities	<u>\$ 4,063,990</u>
Business-type activities:	
Sanitation	\$ 103,384
Water and Sewer	4,590,966
Stormwater	281,119
Marina	16,291
Golf Course	<u>67,636</u>
Total depreciation expense - business-type activities	<u>\$ 5,059,396</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, 2021, 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, 2021, 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, 2021

The amounts of the reclassified balances at September 30, 2021 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 314,909	\$ -
Enterprise Fund:		
Marina	-	12,516
Golf Course	-	302,393
Total	<u>\$ 314,909</u>	<u>\$ 314,909</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ 655,860	\$ -
Special Revenue Fund:		
CRA	-	300,000
Impact Fees	-	123,149
Enterprise Fund:		
Sanitation	516,842	-
Golf Course	-	749,553
Total	<u>\$ 1,172,702</u>	<u>\$ 1,172,702</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 \$46,679 in Fiscal Year 2021. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2021, the unpaid advance was \$93,693, which is included in the total advances of \$1,172,702 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

\$50,469 in Fiscal Year 2021. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2021, the advance was paid in full.

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 \$60,000 in Fiscal Year 2021. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2021, the unpaid advance was \$123,149, which is included in the total advances of \$1,172,702 in the City's financial statements.

In Fiscal Year 2018, the water-sewer fund advanced funds to the community redevelopment agency CRA fund in the amount of \$350,000 for the purpose of providing the balance of monies required for the purchase of the Sunbay Motel property. This advance was decreased with a reimbursement of \$100,000 in Fiscal Year 2021. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2021, the advance was paid in full.

In Fiscal Year 2021, the sanitation fund advanced funds to the community redevelopment agency CRA fund in the amount of \$300,000 for the purpose of providing the balance of monies required for the purchase of the property at 61 W. Tarpon Avenue. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2021, the unpaid advance was \$300,000, which is included in the total advances of \$1,172,702 in the City's financial statements.

In Fiscal Year 2021, the general fund advanced funds to the golf course fund in the amount of \$655,860 for the purpose of providing the balance of monies required to eliminate the negative cash balance. This noninterest-bearing advance is to be repaid from future revenues as they are collected. At September 30, 2021, the unpaid advance was \$655,860, which is included in the total advances of \$1,172,702 in the City's financial statements.

Interfund transfers:

	Transfer In:		
	General Fund	Non-major Governmental Funds	Total
Transfer Out:			
Non-major Governmental Funds	\$ 200,000	\$ 150,000	\$ 350,000
Enterprise Funds:			
Sanitation	474,335	-	474,335
Water & Sewer	1,404,826	-	1,404,826
Non-major Enterprise Funds	140,226	-	140,226
	<u>\$ 2,219,387</u>	<u>\$ 150,000</u>	<u>\$ 2,369,387</u>

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 \$453,202 in fiscal year 2021. Included in this amount are rents of \$370,731 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. The certificate of completion was issued in December 2021 and the reserve funds were remitted to the Foundation in January 2022.

On August 7, 2018 Ordinance 2018-19 was approved by the Board of Commissioners which submitted to the electors of the City of Tarpon Springs a proposed extension of and amendments to the lease between the City of Tarpon Springs and the Tarpon Springs Hospital Foundation. The lease was extended through August 31, 2070 with Base Rent due for the period September 1, 2040 through August 31, 2070 in the amount of \$3,000,000 no later than 30 days after the effective date of this amendment. This amount was received by the City on January 3, 2019. The lease amendments also approved two renewal options, the first renewal period shall be for a period of fifteen (15) years, commencing on September 1, 2070 and expiring on August 31, 2085. The second renewal period shall be for a period of ten (10) years, commencing on September 1, 2085 and expiring on August 31, 2095. The Foundation shall pay to the City as base rent the sum of \$300,000 for each of the renewal periods if exercised by the Foundation.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Included in the aggregate rental income of \$453,202 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 17th 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, 2021 in the amount of \$200,000. New ownership of Savannah Cove requested to payoff the loan, which was approved by the Board of Commissioners, at a present value of \$107,847.52 in November 2021 with the balance being written off.

Capital Leases:

The City has entered into a lease agreement as lessee for financing the acquisition of fire ladder truck. This lease agreement qualifies as capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment	\$ 1,094,792
Less: Accumulated depreciation	(155,096)
Total	<u>\$ 939,696</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

	Governmental Activities Fire Ladder Truck
Year ending September 30,	2021
2022	\$ 239,599
2023	239,599
2024	239,599
Total minimum lease payments	<u>718,797</u>
Less: amount representing interest	(41,419)
Present value of minimum lease payments	<u>\$ 677,378</u>

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Capital lease purchase of a fire ladder truck in 2020, due in annual installments on April 19, at 3.08% interest, collateralized by the fire truck.

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 \$290,000 at October 1, 2021 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 \$685,000 at October 1, 2021 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 \$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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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
2022	300,000	178,513	695,000	871,550	995,000	1,050,063
2023	310,000	169,138	715,000	846,975	1,025,000	1,016,113
2024	315,000	161,369	745,000	823,431	1,060,000	984,800
2025	325,000	153,494	760,000	804,806	1,085,000	958,300
2026	335,000	143,588	785,000	781,888	1,120,000	925,475
2027-2031	1,830,000	557,044	4,350,000	3,482,369	6,180,000	4,039,413
2032-2036	2,155,000	229,631	5,210,000	2,619,644	7,365,000	2,849,275
2037-2041	-	-	8,825,000	1,395,900	8,825,000	1,395,900
2042	-	-	1,970,000	73,875	1,970,000	73,875
Totals	\$ 5,570,000	\$ 1,592,775	\$ 24,055,000	\$ 11,700,438	\$ 29,625,000	\$ 13,293,213

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, 2021 are \$29,625,000, Series 2013A-1 \$5,570,000 and Series 2013A-2 \$24,055,000. Interest paid for the current year and net revenues were Series 2013A-1 \$185,313 and Series 2013A-2 \$885,250 and \$8,410,775 respectively. There was no Interest expense capitalized in Fiscal Year 2021.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Long-term liability activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases payable:					
Capital leases	\$ 894,121	\$ -	\$ (216,743)	\$ 677,378	\$ 219,093
Total capital leases payable	894,121	-	(216,743)	677,378	219,093
Other Liabilities:					
Compensated absences	\$ 1,496,787	\$ 875,551	\$ (1,552,427)	\$ 819,911	\$ 73,064
Other postemployment benefits	2,653,700	1,190,429	(164,371)	3,679,758	-
Net pension liability	7,920,157	-	(7,801,197)	118,960	-
Claims payable	129,138	292,013	(193,808)	227,343	11,703
Governmental activities					
Long-term liabilities	<u>\$ 13,093,903</u>	<u>\$ 2,357,993</u>	<u>\$ (9,928,546)</u>	<u>\$ 5,523,350</u>	<u>\$ 303,860</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 30,600,000	\$ -	\$ (975,000)	\$ 29,625,000	\$ 995,000
Less deferred amounts:					
For issuance premiums (discounts)	287,972	-	(21,448)	266,524	-
Net utility system revenue bonds	<u>30,887,972</u>	<u>-</u>	<u>(996,448)</u>	<u>29,891,524</u>	<u>995,000</u>
Total bonds and notes payable	<u>30,887,972</u>	<u>-</u>	<u>(996,448)</u>	<u>29,891,524</u>	<u>995,000</u>
Other Liabilities:					
Compensated absences	344,684	317,162	(280,833)	381,013	15,262
Other postemployment benefits	406,521	-	(87,476)	319,045	-
Business-type activities					
Long-term liabilities	<u>\$ 31,639,177</u>	<u>\$ 317,162</u>	<u>\$ (1,364,757)</u>	<u>\$ 30,591,582</u>	<u>\$ 1,010,262</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 \$19,873 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities, are generally liquidated by the general fund with \$800,038. Also, for governmental activities, net pension liabilities and other post-employment benefits are liquidated by the general fund.

G. Fund Balance Reporting

Governmental fund balances reported on the fund financial statements at September 30, 2021, include the following:

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

	General	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
	Fund					
Nonspendable:						
Prepaid items	12,163	-	-	-	-	12,163
Advance to other fund	655,860	-	-	-	-	655,860
Loan receivable	200,000	-	-	-	-	200,000
Restricted for:						
Donations received	170,499	-	-	-	-	170,499
Hospital ER	238,096	-	-	-	-	238,096
Capital projects - impact fee programs	-	-	-	-	1,403,782	1,403,782
CRA	-	315,879	-	-	-	315,879
Capital projects - optional sales tax	-	-	-	4,698,104	-	4,698,104
Transportation	-	-	-	-	416,995	416,995
Law enforcement programs	-	-	-	-	239,057	239,057
Grant programs	-	-	130,053	-	-	130,053
Public art program	-	-	-	-	232,632	232,632
Land preservation	-	-	-	-	8,797	8,797
Committed to:						
Cemetery	993,796	-	-	-	-	993,796
Tree bank	488,116	-	-	-	-	488,116
Right of way	148,424	-	-	-	-	148,424
Sidewalks	40,270	-	-	-	1,939,353	1,979,623
Employee benefit cost deferral	-	-	-	-	115,794	115,794
Assigned to:						
Compensated absences	800,038	-	-	-	-	800,038
Disaster reserve	50,000	-	-	-	-	50,000
Subsequent years expenditures	496,500	-	-	-	-	496,500
Insurance/Other	212,469	-	-	-	-	212,469
Hospital Lease 2041-2070	106,819	-	-	-	-	106,819
Perpetual exclusive easement	720,000	-	-	-	-	720,000
Management Designations	537,431	-	-	-	-	537,431
Public safety	180,000	-	-	-	-	180,000
Other contractual obligations	299,722	-	-	-	-	299,722
Unassigned:	8,772,084	-	-	-	-	8,772,084
Total Fund Balances	<u>\$15,122,287</u>	<u>\$ 315,879</u>	<u>\$ 130,053</u>	<u>\$ 4,698,104</u>	<u>\$ 4,356,410</u>	<u>\$ 24,622,733</u>

Nonspendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to remain intact.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution/ordinance) of the City Commission, which is the highest level of decision-making authority, with the same formal action (resolution/ordinance) occurring prior to the City's fiscal year end. Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – Includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – This 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.

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 \$504,209 for Fiscal Year 2021. Claims for each occurrence above \$25,000 and above \$504,209 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 \$749,537 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, 2021 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, 2021.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Changes in the claims liability amounts in Fiscal Years 2021 and 2020 were:

	<u>Self Insurance</u>
Balance at September 30, 2019	\$ 112,434
Current year claims and changes in estimates	80,241
Claim payments	<u>(63,537)</u>
Balance at September 30, 2020	129,138
Current year claims and changes in estimates	292,013
Claim payments	<u>(193,808)</u>
Balance at September 30, 2021	<u><u>\$ 227,343</u></u>

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 insurance is purchased through Florida Municipal Insurance Trust. Dental insurance is purchased through Metropolitan Life. 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, 2021, there were no conduit debt obligations of the City.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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 had expenses of \$22,849 in Fiscal Year 2021 for post-closure monitoring and maintenance at the facility.

E. Commitments and Contingencies

The following table lists the outstanding encumbrances at September 30, 2021. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

Governmental Activities				
	General Fund	Optional Sales Tax	Non-Major Governmental Funds	Total
Encumbrances Outstanding	\$ 299,722	\$ 1,472,752	\$ 158,710	\$ 1,931,184

Business-Type Activities				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total
Encumbrances Outstanding	\$ 39,057	\$ 4,364,508	\$ 1,467,151	\$ 5,870,716

General Fund – of the amount above, \$55,000 is for Comprehensive Plan Consultant; \$53,110 is for Cemetery Expansion Phase I and Mausoleum Roof.

Optional Sales Tax – of the amount noted above, \$474,093 is for Meres Blvd. Construction; \$411,882 for Police vehicles; \$116,009 for Fire vehicles; \$108,216 for Welcome Signs.

Non-Major Governmental Funds - of the amount noted above, \$143,794 is for Meres Blvd. Construction.

Sanitation Fund - of the amount noted above, \$19,612 is for Yard Waste Project/Scale.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Water and Sewer – of the amount noted above, \$1,547,301 is for Seabreeze Drive Sewer; \$871,000 for Convert Gas Chlorine to Bleach; \$564,785 for Future Raw Water Wells.

Non-Major Enterprise Funds – of the amount noted above, \$1,393,398 is for Pent/Grosse Stormwater Project.

During Fiscal Year 2021 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.

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

The City of Tarpon Springs administers a single employer defined benefit healthcare plan (the “Plan”) that provides medical insurance benefits to its employees and their eligible dependents. Because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required by Section 112.0801, Florida Statutes, to provide retirees with the opportunity to participate in this Plan. 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 276 active employees and 16 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2020 to September 30, 2021. The components of the City's OPEB liability at September 30, 2021 are as follows:

Total OPEB liability	\$ 3,998,803
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u>\$ 3,998,803</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, 2021 was based on the actuarial valuation for the period October 1, 2020 to September 30, 2021. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	4.04%
Discount Rate	2.15%
Healthcare cost trend rate	7.00%

Mortality rates were based:

General Employees-SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Police and Fire Employees-SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

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, 2021 was 2.15%. The discount rate used to measure the Total liability at September 30, 2020 was 2.41%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a bond rate was used to determine the total OPEB liability. The Bond Buyer 20-Bond General Obligation Index based on the 20 Year AA Municipal Bond rate as of September 30, 2021 rates were applied for the applicable time periods.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2021**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2020	\$ 3,060,221
Changes for the Year:	
Service cost	275,446
Interest	80,247
Changes in assumptions	(6,779)
Loss attributable to experience	768,290
Benefit payments	(178,622)
Net Changes	938,582
Balances at September 30, 2021	<u>\$ 3,998,803</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate – The following table represents the total OPEB liability, calculated using the discount rate of 2.15%, 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 (1.15%) or one percentage-point higher (3.15%) than the current discount rate:

	1% Decrease 1.15%	Current Discount Rate 2.15%	1% Increase 3.15%
Total OPEB Liability	\$ 4,362,636	\$ 3,998,803	\$ 3,664,523

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 7.0%, 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 (6.0%) or one percentage-point higher (8.0%) than the current discount rate:

	1% Decrease 6.00%	Current Healthcare Cost Trend Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 3,576,636	\$ 3,998,803	\$ 4,481,065

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2021 the City recognized OPEB expense of \$598,179. At September 30, 2021, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$868,176	-
Changes in assumptions	286,282	(5,716)
Total	<u>\$1,154,458</u>	<u>\$ (5,716)</u>

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

Year Ended September 30:

2022	\$ 242,486
2023	242,486
2024	256,982
2025	180,719
2026	180,712
Thereafter	45,357
	<u>\$ 1,148,742</u>

G. Employee Pension Plans

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

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

Defined Benefit Pension Plans for Firefighters and Police Officers

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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.

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, 2020:

Inactive plan members or beneficiaries currently receiving benefits	37
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	48
	<u>92</u>

Benefits provided:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Normal Retirement:

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

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

Minimum benefit amount: \$450

Early Retirement:

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

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

Vesting (Termination):

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

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

Disability:

Service Incurred: Covered from date of employment.

Non-service Incurred: 10 years of credited service.

Service Incurred Benefit: 50% of average monthly earnings.

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

Death Benefits:

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

Non-service Incurred:

Vested: Spouse receives 25% of average final compensation.

Non-vested: Refund of member contributions.

Benefit Adjustment:

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

Contributions:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The sponsor's Net Pension Liability was measured as of September 30, 2021.

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, 2020 updated to September 30, 2021 using the following actuarial assumptions:

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

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

75% of active deaths are assumed to be service-incurred.

The most recent actuarial experience study used to review the other significant assumptions was dated October 19, 2021.

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 2021 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 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%
	<u>100%</u>	

Discount Rate:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2021

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, 2020	\$ 34,132,247	\$ 29,469,346	4,662,901
Changes for a year:			
Service cost	753,859	-	753,859
Interest	2,530,012	-	2,530,012
Change in Excess State Money	-	-	-
Differences between Expected and Actual Experience	(187,652)	-	(187,652)
Changes of assumptions	-	-	-
Contributions - Employer	-	616,790	(616,790)
Contributions - State	-	274,793	(274,793)
Contributions - Employee	-	301,848	(301,848)
Contributions - Buy Back	61,720	61,720	-
Net Investment Income	-	5,241,798	(5,241,798)
Benefit Payments, including Refunds of Employee Contribution	(2,305,238)	(2,305,238)	-
Administrative Expense	-	(48,031)	48,031
Net Changes	852,701	4,143,680	(3,290,979)
Reporting Period Ending September 30, 2021	\$ 34,984,948	\$ 33,613,026	\$ 1,371,922

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

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Sponsor's Net Pension Liability (Asset)	\$ 5,581,236	\$ 1,371,922	\$ (2,085,231)

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2021, the City recognized a Pension Expense of \$654,708.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

On September 30, 2021, 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	\$ 171,728	\$ 279,821
Changes of assumptions	-	122,436
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,112,025
Total	<u>\$ 171,728</u>	<u>\$ 1,514,282</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:

2022	(110,575)
2023	(184,813)
2024	(432,611)
2025	(614,555)
2026	-
Thereafter	-
Total	<u>\$ (1,342,554)</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,
- 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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Plan membership as of October 1, 2020:

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>36</u>
	<u>79</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.

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The sponsor's Net Pension Liability was measured as of September 30, 2021.

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, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.60%
Investment Rate of Return	7.60%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

City of Tarpon Springs, Florida

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Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

90% of active deaths are assumed to be service-incurred.

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

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

For 2021 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, 2021 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	10%	4.50%
GTAA	5%	3.50%
	100%	

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Discount Rate:

The discount rate used to measure the total pension liability was 7.60%.

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2020	\$ 32,729,083	\$ 29,471,827	\$ 3,257,256
Changes for a year:			
Service cost	672,507	-	672,507
Interest	2,478,210	-	2,478,210
Share plan allocation	8,226	-	8,226
Differences between Expected and Actual Experience	85,900	-	85,900
Changes of assumptions	-	-	-
Contributions - Employer	-	769,397	(769,397)
Contributions - State	-	241,803	(241,803)
Contributions - Employee	-	251,792	(251,792)
Net Investment Income	-	6,565,953	(6,565,953)
Benefit Payments, including Refunds of Employee Contribution	(1,587,137)	(1,587,137)	-
Administrative Expense	-	(73,884)	73,884
Net Changes	1,657,706	6,167,924	(4,510,218)
Reporting Period Ending September 30, 2021	\$ 34,386,789	\$ 35,639,751	\$ (1,252,962)

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Sponsor's Net Pension Liability (Asset)	\$ 2,928,772	\$ (1,252,962)	\$ (4,716,417)

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2021, the City recognized a Pension Expense of \$7,758.

On September 30, 2021, 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	\$ 122,336	\$ 49,970
Changes of assumptions	441,174	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	3,311,963
Total	<u>\$ 563,510</u>	<u>\$ 3,361,933</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:

2022	\$ (590,775)
2023	(430,552)
2024	(926,032)
2025	(851,064)
2026	-
Thereafter	-
Total	<u>\$ (2,798,423)</u>

Applicable totals for all of the City's defined benefit pension plans are reflected below:

	Police Officers Pension Plan	Firefighters Pension Plan	Totals
Net Pension Liability (Asset)	\$ 1,371,922	\$ (1,252,962)	\$ 118,960
Deferred Outflows	\$ 171,728	\$ 563,510	\$ 735,238
Deferred Inflows	\$ 1,514,282	\$ 3,361,933	\$ 4,876,215
Pension Expense	\$ 654,708	\$ 7,758	\$ 662,466

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2021

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

STATEMENT OF NET POSITION - PENSION TRUST FUNDS

	Police Officers Pension	Firefighters Pension
Assets		
Cash and cash equivalents:		
Short Term Investments	\$ 1,321,337	\$ -
Prepaid Benefits	-	133,881
Money Market	-	608,000
Cash	-	126,722
Total Cash and cash equivalents:	<u>1,321,337</u>	<u>868,603</u>
Receivables:		
City Contributions in Transit	-	-
Additional City Contributions	38,696	-
From Broker for Investments Sold	-	61,852
Tax Reclaims	-	1,276
Investment Income	<u>30,883</u>	<u>45,197</u>
Total Receivables:	<u>69,579</u>	<u>108,325</u>
Investments:		
U.S. Bonds and Bills	4,429,966	150,555
Federal Agency Guaranteed Securities	3,359,451	4,186,138
Corporate Bonds	2,205,015	2,697,786
Municipal Obligations	-	391,981
Stocks	6,191,256	23,914,802
Mutual Funds: Equity	16,044,279	-
Pooled/Common/Commingled Funds: Real Estate	<u>-</u>	<u>3,438,614</u>
Total Investments	<u>32,229,967</u>	<u>34,779,876</u>
Total Assets	<u>33,620,883</u>	<u>35,756,804</u>
Liabilities		
Payables:		
Prior Refunds	1,232	-
Administrative Expenses	6,625	1,380
To Broker for Investments Purchased	<u>-</u>	<u>115,673</u>
Total Liabilities	<u>7,857</u>	<u>117,053</u>
Net Position		
Net Position Restricted for Pensions	<u>\$ 33,613,026</u>	<u>\$ 35,639,751</u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2021**

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS

	Police Officers Pension	Firefighters Pension
Additions:		
Contributions:		
Plan members	\$ 301,848	\$ 251,792
Buy-Back	61,720	-
Employer	616,790	769,397
State of Florida	274,793	241,803
Total Contributions	<u>1,255,151</u>	<u>1,262,992</u>
Investment Income:		
Net increase in fair value of investments	4,689,251	6,080,976
Interest & Dividends	642,946	631,457
Less Investment Expense (a)	(90,399)	(146,480)
Net Investment Income	<u>5,241,798</u>	<u>6,565,953</u>
Total Additions	<u>6,496,949</u>	<u>7,828,945</u>
Deductions:		
Distributions to Members:		
Benefit Payments	1,345,708	1,587,137
Lump Sum DROP Distributions	959,530	-
Total Distributions	<u>2,305,238</u>	<u>1,587,137</u>
Administrative Expense	48,031	73,884
Total Deductions	<u>2,353,269</u>	<u>1,661,021</u>
Net Increase in Net Position	4,143,680	6,167,924
Net Position Restricted for Pensions - Beginning of Year	<u>29,469,346</u>	<u>29,471,827</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 33,613,026</u>	<u>\$ 35,639,751</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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021, there were 209 active Plan members, 119 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 2021 were \$941,282.

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2021

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, 2021, 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	51,134	\$ 966,952
JPMorgan SmartRetirement 2025	59,551	1,189,240
JPMorgan SmartRetirement 2030	103,649	2,256,437
JPMorgan SmartRetirement 2035	57,480	1,348,479
MFS Growth Allocation R4	34,482	915,490

***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 Nine Fiscal Years*

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:									
Service Cost	\$ 753,859	\$ 758,884	\$ 755,760	\$ 667,849	\$ 604,591	\$ 814,107	\$ 792,099	\$ 755,726	\$ 700,395
Interest	2,530,012	2,473,025	2,311,900	2,182,922	2,027,488	1,960,385	1,845,378	1,732,714	1,632,474
Change in Excess State Money	-	-	-	(20,737)	12,974	7,763	-	-	-
Changes of Benefit Terms	-	-	19,460	528,023	-	-	(119,708)	-	-
Differences between Expected and Actual Experience	(187,652)	(278,163)	686,913	193,927	(14,341)	(727,466)	(319,167)	-	-
Changes of Assumptions	-	(244,872)	-	-	660,290	541,040	-	-	-
Contributions - Buy Back	61,720	-	10,289	17,148	-	56,848	-	-	-
Benefit Payments, including employee refunds	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Net Change in Total Pension Liability	852,701	1,126,044	2,127,846	2,326,592	2,344,157	1,760,744	1,321,484	1,407,588	1,175,056
Total Pension Liability - Beginning	34,132,247	33,006,203	30,878,357	28,551,765	26,207,608	24,446,864	23,125,380	21,717,792	20,542,736
Total Pension Liability - Ending (a)	<u>\$ 34,984,948</u>	<u>\$ 34,132,247</u>	<u>\$ 33,006,203</u>	<u>\$ 30,878,357</u>	<u>\$ 28,551,765</u>	<u>\$ 26,207,608</u>	<u>\$ 24,446,864</u>	<u>\$ 23,125,380</u>	<u>\$ 21,717,792</u>
Plan Fiduciary Net Position:									
Contributions - Employer	616,790	487,500	419,992	281,834	241,324	369,399	639,284	590,013	579,733
Contributions - State	274,793	274,483	262,762	247,970	225,484	220,273	207,813	200,056	198,510
Contributions - Employee	301,848	290,389	285,455	269,438	251,275	264,978	262,499	259,014	247,826
Contributions - Buy Back	61,720	-	10,289	17,148	-	56,848	-	-	-
Net Investment Income	5,241,798	1,011,772	290,797	2,526,845	2,640,786	1,292,444	(68,190)	2,532,116	2,069,509
Benefit Payments, Including Refunds of									
Employee Contributions	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)	(1,157,813)
Administrative Expense	(48,031)	(49,308)	(57,843)	(46,628)	(56,933)	(52,805)	(36,428)	(27,331)	(32,572)
Net Change in Plan Fiduciary Net Position	4,143,680	432,006	(445,024)	2,054,067	2,355,091	1,259,204	127,860	2,473,016	1,905,193
Plan Fiduciary Net Position - Beginning	29,469,346	29,037,340	29,482,364	27,428,297	25,073,206	23,814,002	23,686,142	21,213,126	19,307,933
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,613,026</u>	<u>\$ 29,469,346</u>	<u>\$ 29,037,340</u>	<u>\$ 29,482,364</u>	<u>\$ 27,428,297</u>	<u>\$ 25,073,206</u>	<u>\$ 23,814,002</u>	<u>\$ 23,686,142</u>	<u>\$ 21,213,126</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,371,922</u>	<u>\$ 4,662,901</u>	<u>\$ 3,968,863</u>	<u>\$ 1,395,993</u>	<u>\$ 1,123,468</u>	<u>\$ 1,134,402</u>	<u>\$ 632,862</u>	<u>\$ (560,762)</u>	<u>\$ 504,666</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.08%	86.34%	87.98%	95.48%	96.07%	95.67%	97.41%	102.42%	97.68%
Covered Payroll (1)	\$ 3,773,099	\$ 3,629,864	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Net Pension Liability as a Percentage of Covered Payroll	36.36%	128.46%	111.23%	41.45%	35.77%	34.25%	17.83%	-18.21%	17.18%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/20, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Millimans July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

* Information only available for nine years.

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

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:									
Service Cost	\$ 672,507	\$ 618,856	\$ 624,885	\$ 502,577	\$ 451,742	\$ 470,186	\$ 433,596	\$ 415,729	\$ 385,291
Interest	2,478,210	2,388,833	2,260,369	2,145,398	2,080,242	1,949,568	1,901,472	1,806,846	1,729,806
Change in excess State money	-	-	(68,720)	-	-	-	4,353	-	-
Share Plan Allocation	8,226	-	34,360	-	-	-	-	-	-
Changes of benefit terms	-	-	(5,673)	-	-	-	-	-	-
Differences between Expected and Actual Experience	85,900	(99,941)	134,039	387,233	(4,067)	226,161	(141,504)	-	-
Changes of Assumptions	-	360,735	652,014	-	-	954,519	-	(41,516)	-
Benefit Payments, Including Refunds of									
Employee Contributions	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Net Change in Total Pension Liability	1,657,706	1,780,085	2,143,181	1,130,269	924,866	1,347,703	1,207,957	1,168,780	786,665
Total Pension Liability - Beginning	32,729,083	30,948,998	28,805,817	27,675,548	26,750,682	25,402,979	24,195,022	23,026,242	22,239,577
Total Pension Liability - Ending (a)	<u>\$ 34,386,789</u>	<u>\$ 32,729,083</u>	<u>\$ 30,948,998</u>	<u>\$ 28,805,817</u>	<u>\$ 27,675,548</u>	<u>\$ 26,750,682</u>	<u>\$ 25,402,979</u>	<u>\$ 24,195,022</u>	<u>\$ 23,026,242</u>
Plan Fiduciary Net Position:									
Contributions - Employer	769,397	797,112	777,408	776,966	560,252	758,808	974,041	782,526	710,690
Contributions - State	241,803	219,619	217,232	213,788	205,597	223,925	242,782	237,443	235,043
Contributions - Employee	251,792	251,256	255,510	247,177	201,094	197,641	183,224	162,859	164,853
Net Investment Income	6,565,953	2,478,669	744,272	2,735,006	3,023,816	1,821,061	316,096	1,993,557	2,221,341
Benefit Payments, Including Refunds of									
Employee Contributions	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)	(1,328,432)
Administrative Expense	(73,884)	(85,586)	(60,473)	(55,735)	(56,818)	(39,185)	(66,388)	(46,371)	(42,561)
Net Change in Plan Fiduciary Net Position	6,167,924	2,172,672	445,856	2,012,263	2,330,890	709,519	659,795	2,117,735	1,960,934
Plan Fiduciary Net Position - Beginning	29,471,827	27,299,155	26,853,299	24,841,036	22,510,146	21,800,627	21,140,832	19,023,097	17,062,163
Plan Fiduciary Net Position - Ending (b)	<u>\$ 35,639,751</u>	<u>\$ 29,471,827</u>	<u>\$ 27,299,155</u>	<u>\$ 26,853,299</u>	<u>\$ 24,841,036</u>	<u>\$ 22,510,146</u>	<u>\$ 21,800,627</u>	<u>\$ 21,140,832</u>	<u>\$ 19,023,097</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,252,962)</u>	<u>\$ 3,257,256</u>	<u>\$ 3,649,843</u>	<u>\$ 1,952,518</u>	<u>\$ 2,834,512</u>	<u>\$ 4,240,536</u>	<u>\$ 3,602,352</u>	<u>\$ 3,054,190</u>	<u>\$ 4,003,145</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.64%	90.05%	88.21%	93.22%	89.76%	84.15%	85.82%	87.38%	82.61%
Covered Payroll (1)	\$ 2,664,465	\$ 2,658,781	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Net Pension Liability as a Percentage of Covered Payroll	-47.02%	122.51%	134.99%	74.64%	133.20%	202.80%	142.07%	148.02%	191.67%

Notes to Schedule:

Changes of assumptions:

For measurement date 9/30/20 as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, assumptions used by the Florida Retirement System for special risk employees, with appropriate adjustments made based on plan demographics.

* Information only available for nine years.

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

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Actuarially Determined Contribution	\$ 891,583	\$ 790,221	\$ 740,756	\$ 514,963	\$ 500,665	\$ 587,919	\$ 722,857	\$ 790,069	\$ 778,243
Contributions in Relation to the									
Actuarially Determined Contribution:	891,583	761,983	682,754	529,804	453,834	581,909	847,097	790,069	778,243
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 28,238</u>	<u>\$ 58,002</u>	<u>\$ (14,841)</u>	<u>\$ 46,831</u>	<u>\$ 6,010</u>	<u>\$ (124,240)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (1)	\$ 3,773,099	\$ 3,629,864	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Contributions as a Percentage of									
Covered Payroll	23.63%	20.99%	19.13%	15.73%	14.45%	17.57%	23.86%	25.65%	26.49%

Notes to Schedule:

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Tarpon Springs Police Officers' Pension Plan prepared by Foster & Foster Actuaries and Consultants.

* Information only available for nine years.

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

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 978,879	\$ 1,086,439	\$ 1,039,195	\$ 951,675	\$ 932,405	\$ 945,300	\$ 992,531	\$ 1,019,969	\$ 945,733
Contributions in Relation to the									
Actuarially Determined Contribution	1,002,974	1,016,731	994,640	990,754	765,849	982,733	1,212,470	1,019,969	945,733
Contribution Deficiency (Excess)	<u>\$ (24,095)</u>	<u>\$ 69,708</u>	<u>\$ 44,555</u>	<u>\$ (39,079)</u>	<u>\$ 166,556</u>	<u>\$ (37,433)</u>	<u>\$ (219,939)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (1)	\$ 2,664,465	\$ 2,658,781	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Contributions as a Percentage of									
Covered Payroll	37.64%	38.24%	36.79%	37.87%	35.99%	47.00%	47.82%	49.43%	45.28%

Notes to Schedule:

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Tarpon Springs Firefighters Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

* Information only available for nine years.

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

Police Officers Pension Trust Fund
Schedule of Investment Returns

	Fiscal Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return net of investment expense	17.99%	3.54%	0.99%	9.28%	10.62%	5.44%	-0.29%	11.89%	10.70%

Firefighters Pension Trust Fund
Schedule of Investment Returns

	Fiscal Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return net of investment expense	22.30%	9.18%	2.80%	11.29%	13.66%	8.52%	1.49%	10.43%	13.04%

Notes to Schedule:

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

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

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability:				
Service Cost	\$ 275,446	\$ 173,739	\$ 155,770	\$ 128,874
Interest	80,247	93,722	98,666	69,877
Differences between Expected and Actual Experience	768,290	117,912	-	317,530
Changes in Assumptions	(6,779)	311,583	101,497	13,362
Benefit Payments	(178,622)	(160,479)	(106,754)	(101,479)
Net Change in Total OPEB Liability	938,582	536,477	249,179	428,164
Total OPEB Liability - Beginning	3,060,221	2,523,744	2,274,565	1,846,401
Total OPEB Liability - Ending	<u>\$ 3,998,803</u>	<u>\$ 3,060,221</u>	<u>\$ 2,523,744</u>	<u>\$ 2,274,565</u>

Covered Employee Payroll	\$ 16,270,170	\$ 16,045,850	\$ 15,758,601	\$ 15,359,260
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.6%	19.1%	16.0%	14.8%

Notes to Schedule:

Plan Assets:

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

Other Items:

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Special Revenue Funds:

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

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

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

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 sidewalk improvement and local option gas tax funds.

Sidewalk Improvement Fund - This fund was established by City Charter for funding sidewalk improvements.

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, 2021**

	Special Revenue Funds				
	Local Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
ASSETS					
Cash and cash equivalents	\$ 65,786	\$ 1,485,128	\$ 240,505	\$ 358,024	\$ 2,149,443
Investments	-	155,265	-	-	155,265
Accrued interest receivable	-	270	-	-	270
Due from other governments	54,963	-	-	-	54,963
Total Assets	<u>\$ 120,749</u>	<u>\$ 1,640,663</u>	<u>\$ 240,505</u>	<u>\$ 358,024</u>	<u>\$ 2,359,941</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 113,462	\$ 1,448	\$ 801	\$ 115,711
Advance from other funds	-	123,149	-	-	123,149
Total Liabilities	<u>-</u>	<u>236,611</u>	<u>1,448</u>	<u>801</u>	<u>238,860</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	270	-	-	270
Total Deferred Inflows of Resources::	<u>-</u>	<u>270</u>	<u>-</u>	<u>-</u>	<u>270</u>
Fund Balances:					
Restricted	120,749	1,403,782	239,057	241,429	2,005,017
Committed	-	-	-	115,794	115,794
Total Fund Balances	<u>120,749</u>	<u>1,403,782</u>	<u>239,057</u>	<u>357,223</u>	<u>2,120,811</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 120,749</u>	<u>\$ 1,640,663</u>	<u>\$ 240,505</u>	<u>\$ 358,024</u>	<u>\$ 2,359,941</u>

<u>Capital Projects Funds</u>			Total Non-Major Governmental Funds
<u>General Projects</u>	<u>Sidewalk Improvement</u>	<u>Total</u>	
\$ 296,246	\$ 441,431	\$ 737,677	\$ 2,887,120
-	1,497,922	1,497,922	1,653,187
-	1,522	1,522	1,792
-	-	-	54,963
<u>\$ 296,246</u>	<u>\$ 1,940,875</u>	<u>\$ 2,237,121</u>	<u>\$ 4,597,062</u>
\$ -	\$ -	\$ -	\$ 115,711
<u>-</u>	<u>-</u>	<u>-</u>	<u>123,149</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>238,860</u>
-	1,522	1,522	1,792
<u>-</u>	<u>1,522</u>	<u>1,522</u>	<u>1,792</u>
296,246	-	296,246	2,301,263
<u>-</u>	<u>1,939,353</u>	<u>1,939,353</u>	<u>2,055,147</u>
<u>296,246</u>	<u>1,939,353</u>	<u>2,235,599</u>	<u>4,356,410</u>
<u>\$ 296,246</u>	<u>\$ 1,940,875</u>	<u>\$ 2,237,121</u>	<u>\$ 4,597,062</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, 2021

	Special Revenue Funds				
	Local Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
Revenues:					
Taxes	\$ 318,785	\$ -	\$ -	\$ -	\$ 318,785
Permits and fees	-	365,070	-	-	365,070
Intergovernmental	-	-	24,838	-	24,838
Charges for services	-	-	-	45	45
Fines and forfeitures	-	-	24,220	-	24,220
Other	218	7,623	436	1,200	9,477
Total Revenues	<u>319,003</u>	<u>372,693</u>	<u>49,494</u>	<u>1,245</u>	<u>742,435</u>
Expenditures:					
Current:					
Public Safety:					
Police	-	-	57,475	-	57,475
Culture and Recreation:					
Other	-	-	-	10,842	10,842
Capital Outlay	-	161,976	2,000	59,991	223,967
Total Expenditures	<u>-</u>	<u>161,976</u>	<u>59,475</u>	<u>70,833</u>	<u>292,284</u>
Excess of Revenues Over (Under) Expenditures	<u>319,003</u>	<u>210,717</u>	<u>(9,981)</u>	<u>(69,588)</u>	<u>450,151</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(350,000)	-	-	-	(350,000)
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Net Change in Fund Balances	(30,997)	210,717	(9,981)	(69,588)	100,151
Fund Balances - Beginning of Year	<u>151,746</u>	<u>1,193,065</u>	<u>249,038</u>	<u>426,811</u>	<u>2,020,660</u>
Fund Balances - End of Year	<u>\$ 120,749</u>	<u>\$ 1,403,782</u>	<u>\$ 239,057</u>	<u>\$ 357,223</u>	<u>\$ 2,120,811</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Sidewalk Improvement	Total	
\$ -	\$ -	\$ -	\$ 318,785
-	-	-	365,070
-	-	-	24,838
-	-	-	45
-	-	-	24,220
307	1,137	1,444	10,921
<u>307</u>	<u>1,137</u>	<u>1,444</u>	<u>743,879</u>
-	-	-	57,475
-	-	-	10,842
56,634	-	56,634	280,601
<u>56,634</u>	<u>-</u>	<u>56,634</u>	<u>348,918</u>
(56,327)	1,137	(55,190)	394,961
150,000	-	150,000	150,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>(200,000)</u>
93,673	1,137	94,810	194,961
<u>202,573</u>	<u>1,938,216</u>	<u>2,140,789</u>	<u>4,161,449</u>
\$ <u><u>296,246</u></u>	\$ <u><u>1,939,353</u></u>	\$ <u><u>2,235,599</u></u>	\$ <u><u>4,356,410</u></u>

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 320,903	\$ 320,903	\$ 318,785	\$ (2,118)
Other	1,343	1,343	218	(1,125)
Total Revenues	<u>322,246</u>	<u>322,246</u>	<u>319,003</u>	<u>(3,243)</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	(27,754)	(27,754)	(30,997)	(3,243)
Fund Balances - Beginning of Year	<u>151,746</u>	<u>151,746</u>	<u>151,746</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 123,992</u>	<u>\$ 123,992</u>	<u>\$ 120,749</u>	<u>\$ (3,243)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 266,792	\$ 266,792	\$ 365,070	\$ 98,278
Other	5,032	5,032	7,623	2,591
Total Revenues	271,824	271,824	372,693	100,869
Expenditures:				
Capital Outlay	598,746	1,035,226	161,976	873,250
Total Expenditures	598,746	1,035,226	161,976	873,250
Net Change in Fund Balances	(326,922)	(763,402)	210,717	974,119
Fund Balances - Beginning of Year	1,193,065	1,193,065	1,193,065	-
Fund Balances - End of Year	\$ 866,143	\$ 429,663	\$ 1,403,782	\$ 974,119

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 24,838	\$ (35,162)
Fines and forfeitures	10,700	10,700	24,220	13,520
Other	-	-	436	436
Total Revenues	<u>70,700</u>	<u>70,700</u>	<u>49,494</u>	<u>(21,206)</u>
Expenditures:				
Current:				
Public Safety:				
Police	85,807	78,013	57,475	20,538
Capital Outlay	9,500	17,294	2,000	15,294
Total Expenditures	<u>95,307</u>	<u>95,307</u>	<u>59,475</u>	<u>35,832</u>
Net Change in Fund Balances	(24,607)	(24,607)	(9,981)	14,626
Fund Balances - Beginning of Year	<u>249,038</u>	<u>249,038</u>	<u>249,038</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 224,431</u>	<u>\$ 224,431</u>	<u>\$ 239,057</u>	<u>\$ 14,626</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ -	\$ -	\$ 45	\$ 45
Other	-	-	1,200	1,200
Total Revenues	-	-	1,245	1,245
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	-	9,543	10,842	(1,299)
Capital Outlay	179,500	186,957	59,991	126,966
Total Expenditures	199,500	216,500	70,833	145,667
Net Change in Fund Balances	(199,500)	(216,500)	(69,588)	146,912
Fund Balances - Beginning of Year	426,811	426,811	426,811	-
Fund Balances - End of Year	\$ 227,311	\$ 210,311	\$ 357,223	\$ 146,912

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 307	\$ 307
Total Revenues	-	-	307	307
Expenditures:				
Capital Outlay	250,000	313,829	56,634	257,195
Total Expenditures	250,000	313,829	56,634	257,195
Excess of Revenues Over (Under) Expenditures	(250,000)	(313,829)	(56,327)	257,502
Other Financing Sources:				
Transfers in	250,000	250,000	150,000	(100,000)
Total Other Financing Sources	250,000	250,000	150,000	(100,000)
Net Change in Fund Balances	-	(63,829)	93,673	157,502
Fund Balances - Beginning of Year	202,573	202,573	202,573	-
Fund Balances - End of Year	\$ 202,573	\$ 138,744	\$ 296,246	\$ 157,502

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SIDEWALK IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 30,000	\$ 30,000	\$ 1,137	\$ (28,863)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>1,137</u>	<u>(28,863)</u>
Other Financing Uses:				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	-	100,000
Total Other Financing Uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	(70,000)	(70,000)	1,137	71,137
Fund Balances - Beginning of Year	<u>1,938,216</u>	<u>1,938,216</u>	<u>1,938,216</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 1,868,216</u>	<u>\$ 1,868,216</u>	<u>\$ 1,939,353</u>	<u>\$ 71,137</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,371,410	\$ 2,371,410	\$ 3,134,052	\$ 762,642
Intergovernmental	872,000	872,000	73,049	(798,951)
Charges for Services	88,822	88,822	-	(88,822)
Other	5,000	99,632	121,391	21,759
Total Revenues	3,337,232	3,431,864	3,328,492	(103,372)
Expenditures:				
Capital Outlay	3,320,028	6,210,853	1,445,793	4,765,060
Debt Service	239,600	239,600	239,599	1
Total Expenditures	3,559,628	6,450,453	1,685,392	4,765,061
Net Change in Fund Balances	(222,396)	(3,018,589)	1,643,100	4,661,689
Fund Balances - Beginning of Year	3,055,004	3,055,004	3,055,004	-
Fund Balances - End of Year	\$ 2,832,608	\$ 36,415	\$ 4,698,104	\$ 4,661,689

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, 2021

	Storm Water	Marina	Golf Course	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 689,152	\$ -	\$ -	\$ 689,152
Receivables:				
Accounts - billed (net)	121,746	2,448	-	124,194
Accounts - unbilled	62,118	-	-	62,118
Inventories	-	-	23,182	23,182
Prepaid items	-	-	2,500	2,500
Total Current Assets	<u>873,016</u>	<u>2,448</u>	<u>25,682</u>	<u>901,146</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	5,716,994	631,849	1,369,742	7,718,585
Machinery and equipment	2,193,434	-	44,809	2,238,243
Accumulated depreciation	(3,123,137)	(613,972)	(1,192,373)	(4,929,482)
Construction in progress	1,624,697	-	-	1,624,697
Total Non-Current Assets	<u>6,842,401</u>	<u>43,665</u>	<u>748,224</u>	<u>7,634,290</u>
Total Assets	<u>7,715,417</u>	<u>46,113</u>	<u>773,906</u>	<u>8,535,436</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to OPEB.	13,683	-	5,359	19,042
Total Deferred Outflows of Resources	<u>13,683</u>	<u>-</u>	<u>5,359</u>	<u>19,042</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	315,100	2,098	53,606	370,804
Accrued liabilities	9,748	1,167	8,461	19,376
Contracts payable	70,021	-	-	70,021
Due to other fund (deficit in pooled cash)	-	12,516	302,393	314,909
Advance from other fund	-	-	749,553	749,553
Customer deposits	-	4,391	-	4,391
Compensated absences	1,408	-	586	1,994
Unearned revenue	-	-	17,723	17,723
Total Current Liabilities	<u>396,277</u>	<u>20,172</u>	<u>1,132,322</u>	<u>1,548,771</u>
Non-Current Liabilities:				
Total OPEB liability	47,394	-	18,562	65,956
Compensated absences	25,232	554	29,429	55,215
Total Non-Current Liabilities	<u>72,626</u>	<u>554</u>	<u>47,991</u>	<u>121,171</u>
Total Liabilities	<u>468,903</u>	<u>20,726</u>	<u>1,180,313</u>	<u>1,669,942</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to OPEB.	68	-	27	95
Total Deferred Inflows of Resources	<u>68</u>	<u>-</u>	<u>27</u>	<u>95</u>
NET POSITION				
Net investment in capital assets	6,540,074	43,665	748,224	7,331,963
Unrestricted (deficit)	720,055	(18,278)	(1,149,299)	(447,522)
Total Net Position	<u>\$ 7,260,129</u>	<u>\$ 25,387</u>	<u>\$ (401,075)</u>	<u>\$ 6,884,441</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, 2021

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,746,647	\$ 128,511	\$ 1,630,856	\$ 3,506,014
Other	-	-	2,129	2,129
Total Operating Revenues	1,746,647	128,511	1,632,985	3,508,143
Operating Expenses:				
Personnel services	623,780	65,561	407,240	1,096,581
Contractual services	322,268	31,516	635,855	989,639
Supplies	76,935	3,923	162,556	243,414
Repairs and maintenance	234,986	3,529	14,082	252,597
Utilities	10,093	22,987	43,223	76,303
Depreciation	281,119	16,291	67,636	365,046
Total Operating Expenses	1,549,181	143,807	1,330,592	3,023,580
Operating Income (Loss)	197,466	(15,296)	302,393	484,563
Non-Operating Revenues:				
Investment income	1,542	1	-	1,543
Net change in fair value of investments	(2,018)	-	-	(2,018)
Intergovernmental - operating grants	1,860	-	-	1,860
Other	923	-	-	923
Total Non-Operating Revenues	2,307	1	-	2,308
Income (Loss) before Contributions and Transfers	199,773	(15,295)	302,393	486,871
Capital grants and contributions	741,096	-	-	741,096
Transfers out	(140,226)	-	-	(140,226)
Total Capital Grants, Contributions and Transfers Out	600,870	-	-	600,870
Change in Net Position	800,643	(15,295)	302,393	1,087,741
Net Position - Beginning of Year	6,459,486	40,682	(703,468)	5,796,700
Net Position - End of Year	\$ 7,260,129	\$ 25,387	\$ (401,075)	\$ 6,884,441

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,767,901	\$ 126,063	\$ 1,630,210	\$ 3,524,174
Cash payments to suppliers	(491,708)	(59,832)	(814,005)	(1,365,545)
Cash payments to employees	(605,316)	(65,500)	(401,606)	(1,072,422)
Other	923	-	-	923
Net cash provided by operating activities	<u>671,800</u>	<u>731</u>	<u>414,599</u>	<u>1,087,130</u>
Cash flows from noncapital financing activities:				
Transfers out	(140,226)	-	-	(140,226)
Intergovernmental - operating grants	1,860	-	-	1,860
Advance from other fund	-	-	609,181	609,181
Payment of cash on loans to/from other funds	-	(732)	(1,003,480)	(1,004,212)
Net cash used by noncapital financing activities	<u>(138,366)</u>	<u>(732)</u>	<u>(394,299)</u>	<u>(533,397)</u>
Cash flows from capital and related financing activities:				
Contributed capital from other governmental entities	741,096	-	-	741,096
Acquisition and construction of capital assets	<u>(1,521,309)</u>	<u>-</u>	<u>(20,300)</u>	<u>(1,541,609)</u>
Net cash used for capital and related financing activities	<u>(780,213)</u>	<u>-</u>	<u>(20,300)</u>	<u>(800,513)</u>
Cash flows from investing activities:				
Interest on investments	1,542	1	-	1,543
Proceeds of investment sales & maturities	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Net cash provided by investing activities	<u>501,542</u>	<u>1</u>	<u>-</u>	<u>501,543</u>
Net increase in cash and cash equivalents	254,763	-	-	254,763
Cash and cash equivalents at beginning of year	<u>434,389</u>	<u>-</u>	<u>-</u>	<u>434,389</u>
Cash and cash equivalents at end of year	<u>\$ 689,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,152</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	<u>\$ 689,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,152</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 197,466	\$ (15,296)	\$ 302,393	\$ 484,563
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	923	-	-	923
Depreciation expense	281,119	16,291	67,636	365,046
Change in assets and liabilities:				
(Increase) decrease in accounts receivable - interest	2,842	(2,448)	-	394
Decrease in accounts receivable - billed (net)	10,745	-	-	10,745
Decrease in unbilled accounts receivable	7,667	-	-	7,667
Increase in inventories	-	-	(895)	(895)
Decrease in prepaid items	51	13	38	102
Increase in deferred outflow-OPEB	(6,919)	-	(2,035)	(8,954)
Increase in accounts and contracts payable	152,523	413	42,568	195,504
Increase in accrued liabilities	932	247	1,769	2,948
Decrease in unearned revenue	-	-	(2,775)	(2,775)
Increase in customer deposits	-	1,697	-	1,697
Increase in total OPEB liability	14,524	-	2,407	16,931
Increase (decrease) in compensated absences	9,859	(186)	3,466	13,139
Increase in deferred inflow-OPEB	68	-	27	95
Total adjustments	474,334	16,027	112,206	602,567
Net cash provided by operating activities	\$ <u>671,800</u>	\$ <u>731</u>	\$ <u>414,599</u>	\$ <u>1,087,130</u>

Internal Service Funds

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

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

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

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 34,801	\$ 536,227	\$ 571,028
Investments	-	498,849	498,849
Accounts receivable - interest	-	597	597
Inventories	33,811	-	33,811
Total Current Assets	68,612	1,035,673	1,104,285
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	339,938	190,024	529,962
Machinery and equipment	93,714	32,921	126,635
Accumulated depreciation	(346,007)	(95,847)	(441,854)
Total Non-Current Assets	132,401	127,098	259,499
Total Assets	201,013	1,162,771	1,363,784
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	6,426	-	6,426
Total Deferred Outflows of Resources	6,426	-	6,426
LIABILITIES			
Current Liabilities:			
Accounts payable	14,641	58,793	73,434
Accrued liabilities	6,802	-	6,802
Claims payable	-	11,703	11,703
Compensated absences	2,200	-	2,200
Total Current Liabilities	23,643	70,496	94,139
Non-Current Liabilities:			
Claims payable	-	215,640	215,640
Total OPEB liability	22,258	-	22,258
Compensated absences	17,673	-	17,673
Total Non-Current Liabilities	39,931	215,640	255,571
Total Liabilities	63,574	286,136	349,710
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB.	32	-	32
Total Deferred Inflows of Resources	32	-	32
NET POSITION			
Investment in capital assets	132,401	127,098	259,499
Unrestricted	11,432	749,537	760,969
Total Net Position	\$ 143,833	\$ 876,635	\$ 1,020,468

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,124,092	\$ 746,666	\$ 1,870,758
Total Operating Revenues	1,124,092	746,666	1,870,758
Operating Expenses:			
Personnel services	373,009	-	373,009
Contractual services	13,008	26,734	39,742
Supplies	420,381	1,511	421,892
Repairs and maintenance	314,162	-	314,162
Utilities	1,140	-	1,140
Claims	-	292,013	292,013
Insurance	-	749,564	749,564
Depreciation	23,674	12,770	36,444
Total Operating Expenses	1,145,374	1,082,592	2,227,966
Operating Loss	(21,282)	(335,926)	(357,208)
Non-Operating Revenues:			
Investment income	-	3,856	3,856
Net change in fair value of investments	-	(3,169)	(3,169)
Total Non-Operating Revenues	-	687	687
Change in Net Position	(21,282)	(335,239)	(356,521)
Net Position - Beginning of Year	165,115	1,211,874	1,376,989
Net Position - End of Year	\$ 143,833	\$ 876,635	\$ 1,020,468

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,124,092	\$ 748,914	\$ 1,873,006
Cash payments to suppliers	(745,558)	(916,657)	(1,662,215)
Cash payments to employees	(369,487)	-	(369,487)
Net cash provided (used) by operating activities	9,047	(167,743)	(158,696)
Cash flows from noncapital financing activities:			
Advance to other fund	-	50,469	50,469
Net cash provided by noncapital financing activities	-	50,469	50,469
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(19,804)	-	(19,804)
Net cash used by capital and related financing activities	(19,804)	-	(19,804)
Cash flows from investing activities:			
Interest on investments	-	3,856	3,856
Proceeds of investment sales & maturities	-	500,000	500,000
Purchase of investments	-	(500,000)	(500,000)
Net cash provided by investing activities	-	3,856	3,856
Net decrease in cash and cash equivalents	(10,757)	(113,418)	(124,175)
Cash and cash equivalents at beginning of year	45,558	649,645	695,203
Cash and cash equivalents at end of year	\$ 34,801	\$ 536,227	\$ 571,028
Cash and cash equivalents classified as:			
Cash and cash equivalents	\$ 34,801	\$ 536,227	\$ 571,028
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (21,282)	\$ (335,926)	\$ (357,208)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation expense	23,674	12,770	36,444
Change in assets and liabilities:			
Decrease in accounts receivable-interest	-	2,248	2,248
Increase in inventories	(516)	-	(516)
Decrease in prepaid items	13	-	13
Increase in deferred outflow-OPEB	(2,950)	-	(2,950)
Increase in accounts and contracts payable	3,636	54,960	58,596
Increase in accrued liabilities	2,244	-	2,244
Increase in claims payable	-	98,205	98,205
Increase in total OPEB liability	5,364	-	5,364
Decrease in compensated absences	(1,168)	-	(1,168)
Increase in deferred inflow-OPEB	32	-	32
Total adjustments	30,329	168,183	198,512
Net cash provided (used) by operating activities	\$ 9,047	\$ (167,743)	\$ (158,696)

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, 2021

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
Assets				
Cash and cash equivalents	\$ 1,321,337	\$ 126,722	\$ -	\$ 1,448,059
Accounts receivable	-	63,128	-	63,128
Interest receivable	30,883	45,197	-	76,080
Prepaid benefits	-	133,881	-	133,881
City contributions	38,696	-	-	38,696
Investments, at fair value:				
U.S. Government Securities	7,789,417	3,162,803	-	10,952,220
Municipals	-	391,982	-	391,982
Equities Common Stock	22,235,535	23,914,802	-	46,150,337
Mutual Funds	-	1,781,890	15,141,726	16,923,616
International Fixed Income	-	426,861	-	426,861
Corporate Bonds	2,205,015	2,270,925	-	4,475,940
Real Estate	-	3,438,614	-	3,438,614
Total Investments	<u>32,229,967</u>	<u>35,387,877</u>	<u>15,141,726</u>	<u>82,759,570</u>
Total Assets	<u>33,620,883</u>	<u>35,756,805</u>	<u>15,141,726</u>	<u>84,519,414</u>
Liabilities				
Accounts payable	<u>7,857</u>	<u>117,054</u>	<u>4,375</u>	<u>129,286</u>
Total Liabilities	<u>7,857</u>	<u>117,054</u>	<u>4,375</u>	<u>129,286</u>
Net Position				
Restricted for Pension Benefits	<u>\$ 33,613,026</u>	<u>\$ 35,639,751</u>	<u>\$ 15,137,351</u>	<u>\$ 84,390,128</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
Additions:				
Contributions:				
Employer	\$ 616,791	\$ 769,398	\$ 941,282	\$ 2,327,471
Plan members	363,568	251,792	2,765	618,125
State of Florida	274,793	241,803	-	516,596
Total Contributions	<u>1,255,152</u>	<u>1,262,993</u>	<u>944,047</u>	<u>3,462,192</u>
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	4,689,135	6,024,504	1,825,451	12,539,090
Interest	200,969	325,632	524,789	1,051,390
Dividends	441,977	386,849	-	828,826
	<u>5,332,081</u>	<u>6,736,985</u>	<u>2,350,240</u>	<u>14,419,306</u>
Less Investment Expenses:				
Investment management fees	127,049	199,331	-	326,380
	<u>127,049</u>	<u>199,331</u>	<u>-</u>	<u>326,380</u>
Net Investment Income	<u>5,205,032</u>	<u>6,537,654</u>	<u>2,350,240</u>	<u>14,092,926</u>
Total Additions	<u>6,460,184</u>	<u>7,800,647</u>	<u>3,294,287</u>	<u>17,555,118</u>
Deductions:				
Benefits	2,305,238	1,587,799	665,046	4,558,083
Administrative expense	11,266	44,924	40,025	96,215
Total Deductions	<u>2,316,504</u>	<u>1,632,723</u>	<u>705,071</u>	<u>4,654,298</u>
Change in Net Position	4,143,680	6,167,924	2,589,216	12,900,820
Net Position - Beginning of Year	<u>29,469,346</u>	<u>29,471,827</u>	<u>12,548,135</u>	<u>71,489,308</u>
Net Position - End of Year	<u>\$ 33,613,026</u>	<u>\$ 35,639,751</u>	<u>\$ 15,137,351</u>	<u>\$ 84,390,128</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, 2021

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,638,915	\$ 1,638,915	\$ -
Total Revenue	1,638,915	1,638,915	-
Expenditures:			
Salaries and Benefits	1,489,802	1,445,894	43,908
Operating Expenditures	149,113	203,188	(54,075)
Total Expenditures	1,638,915	1,649,082	(10,167)
Deficiency of Revenues Under Expenditures	\$ -	\$ (10,167)	\$ (10,167)
1 EMS Funding FY 20-21 Received by Contractor		\$ 1,638,915	
2 EMS Allowable Costs Incurred by Contractor		1,649,082	
3 Difference (If Excess Revenues) Due to Pinellas County		(10,167)	

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,884,030	\$ 3,877,347	\$ (6,683)
Tarpon Springs Fire District Funds	438,127	419,013	(19,114)
Total Revenues	4,322,157	4,296,360	(25,797)
Expenditures:			
Salaries and Benefits	3,551,994	3,550,727	1,267
Operating Expenditures	722,768	706,738	16,030
Capital Outlay	47,395	38,895	8,500
Total Expenditures	4,322,157	4,296,360	25,797
Excess of Revenues Over Expenditures	\$ -	\$ -	\$ -
Special Revenue Fund - Fire Impacts			
Revenues:			
Fire Impact Fees	\$ 40,739	\$ 50,976	\$ 10,237
Interest	50	176	126
Total Revenues	40,789	51,152	10,363
Expenditures:			
Capital Outlay	40,789	-	40,789
Total Expenditures	40,789	-	40,789
Excess of Revenues Over Expenditures	\$ -	\$ 51,152	\$ 51,152
Capital Project Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 529,311	\$ 387,655	\$ (141,656)
Tarpon Springs Fire District Funds	-	-	-
Total Revenues	529,311	387,655	(141,656)
Expenditures:			
Capital Outlay	529,311	387,655	141,656
Total Expenditures	529,311	387,655	141,656
Excess of Revenues Over Expenditures	\$ -	\$ -	\$ -
Grand Total			
Total Revenues	\$ 4,892,257	\$ 4,735,167	\$ (157,090)
Total Expenditures	4,892,257	4,684,015	208,242
Excess of Revenues Over Expenditures	\$ -	\$ 51,152	\$ 51,152
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 4,684,015	
2 Less: Other Revenues Received by Contractor		-	
3 Total Outlay by Contractor		4,684,015	
4 Pinellas County Percentage of District		9.55%	
5 Total Pinellas County Share (3 times 4)		447,323	
6 Pinellas County Paid to Contractor			
Fire District Funding FY 2021		419,013	
Total Pinellas County Paid to Contractor		419,013	
7 Total Due to Pinellas County (6 less 5), if negative none due		\$ (28,310)	



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, 2021
- 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				
	2012	2013	2014 *	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 42,653,653	\$ 44,380,440	\$ 45,090,304	\$ 48,199,096	\$ 49,600,615	\$ 51,456,378	\$ 52,391,186	\$ 53,407,457	\$ 53,925,231	\$ 53,188,924
Restricted	12,896,516	12,423,712	13,233,342	11,331,250	10,994,276	9,695,502	9,251,886	8,242,401 F	6,732,428	8,755,728
Unrestricted	19,615,271	18,237,353	14,435,502	13,678,169	11,689,973	10,093,903	8,132,199 D	7,165,730 G	8,164,941	9,269,463
Total governmental activities net position	<u>\$ 75,165,440</u>	<u>\$ 75,041,505</u>	<u>\$ 72,759,148</u>	<u>\$ 73,208,515</u>	<u>\$ 72,284,864</u>	<u>\$ 71,245,783</u>	<u>\$ 69,775,271</u>	<u>\$ 68,815,588</u>	<u>\$ 68,822,600</u>	<u>\$ 71,214,115</u>
Business-type activities:										
Net investment in capital assets	\$ 30,787,409	\$ 33,033,440	\$ 47,376,740 A	\$ 57,038,372	\$ 59,405,819	\$ 59,032,457	\$ 61,644,818	\$ 62,955,086	\$ 64,055,253	\$ 64,616,646
Restricted	2,986,956	8,244,803	5,647,475 B	5,801,091	5,033,042	5,402,860	6,256,233	6,420,497	5,687,790	6,105,855
Unrestricted	14,259,417	10,623,313	6,885,518 C	8,739,652	10,560,522	11,965,743	9,644,107 E	11,412,142 H	12,495,282	14,330,131
Total business-type activities net position	<u>\$ 48,033,782</u>	<u>\$ 51,901,556</u>	<u>\$ 59,909,733</u>	<u>\$ 71,579,115</u>	<u>\$ 74,999,383</u>	<u>\$ 76,401,060</u>	<u>\$ 77,545,158</u>	<u>\$ 80,787,725</u>	<u>\$ 82,238,325</u>	<u>\$ 85,052,632</u>
Primary government:										
Net investment in capital assets	\$ 73,441,062	\$ 77,413,880	\$ 92,467,044	\$ 105,237,468	\$ 109,006,434	\$ 110,488,835	\$ 114,036,004	\$ 116,362,543	\$ 117,980,484	\$ 117,805,570
Restricted	15,883,472	20,668,515	18,880,817	17,132,341	16,027,318	15,098,362	15,508,119	14,662,898	12,420,218	14,861,583
Unrestricted	33,874,688	28,860,666	21,321,020	22,417,821	22,250,495	22,059,646	17,776,306	18,577,872	20,660,223	23,599,594
Total primary government net position	<u>\$ 123,199,222</u>	<u>\$ 126,943,061</u>	<u>\$ 132,668,881</u>	<u>\$ 144,787,630</u>	<u>\$ 147,284,247</u>	<u>\$ 147,646,843</u>	<u>\$ 147,320,429</u>	<u>\$ 149,603,313</u>	<u>\$ 151,060,925</u>	<u>\$ 156,266,747</u>

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

A) Increase due to construction of new Alternative Water Plant

B) Decrease in FY 2014 due to Reserve in FY 2013 for emergency sewer break

C) Decrease in FY 2014 due to expenses for Alternative Water Plant, FY 2015 SWFMD receipts will alleviate this.

D) GASB 75 OPEB implementation major source of decrease.

E) Hurricane Irma debris removal majority of decrease + GASB 75 OPEB implementation.

F) Decrease due to increase in capital project expenditures in Local Option Sales Tax Fund

G) Decrease due to increase in Police and Fire Pension Liability

H) Increase due to reimbursement for Hurricane Irma debris removal

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

	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 2,789,491	\$ 2,927,360	\$ 3,017,621	\$ 3,194,628	\$ 3,432,723	\$ 3,700,268	\$ 4,132,160	\$ 4,433,507	\$ 5,070,370	\$ 4,801,604
Public safety	11,712,003	12,282,243	12,723,797	13,021,016	14,852,516	14,815,058	16,234,276	17,366,747	17,332,285	15,769,750
Physical environment	1,240,584	1,177,133	1,171,151	994,433	1,140,607	1,203,122	1,249,625	1,405,668	1,454,120	1,630,085
Transportation	2,116,119	2,200,491	2,315,266	2,267,686	2,313,101	2,352,119	2,391,884	2,496,389	2,570,621	2,596,468
Economic environment	365,584	466,831	457,145	452,117	531,483	582,470	619,513	493,953	530,288	562,146
Culture/recreation	3,899,214	3,901,603	4,002,625	4,083,635	4,239,363	4,502,297	4,650,379	4,607,221	4,581,598	4,549,677
Interest on long-term debt	12,542	8,114	3,526	-	-	-	-	-	45,378	22,194
Total governmental activities expenses	<u>22,135,537</u>	<u>22,963,775</u>	<u>23,691,131</u>	<u>24,013,515</u>	<u>26,509,793</u>	<u>27,155,334</u>	<u>29,277,837</u>	<u>30,803,485</u>	<u>31,584,660</u>	<u>29,931,924</u>
Business-type activities:										
Water/Sewer	9,348,746	11,139,707	11,328,461	12,745,072	12,912,634	13,765,541	13,781,438	14,398,298	15,150,903	15,728,538
Sanitation	3,701,551	3,705,989	3,892,966	4,106,003	4,335,007	4,748,340	6,147,368	4,955,865	5,373,320	5,496,705
Storm Water	687,356	764,604	835,943	1,003,463	1,057,100	1,322,226	1,395,324	1,362,896	1,356,409	1,549,181
Golf Course	1,217,951	1,222,499	1,111,819	1,257,698	1,369,316	1,233,795	1,269,051	1,414,414	1,291,991	1,330,592
Marina	84,547	88,566	92,019	109,403	113,616	113,877	117,932	123,057	130,439	143,807
Total business-type activities expenses	<u>15,040,151</u>	<u>16,921,365</u>	<u>17,261,208</u>	<u>19,221,639</u>	<u>19,787,673</u>	<u>21,183,779</u>	<u>22,711,113</u>	<u>22,254,530</u>	<u>23,303,062</u>	<u>24,248,823</u>
Total primary government expenses	<u>\$ 37,175,688</u>	<u>\$ 39,885,140</u>	<u>\$ 40,952,339</u>	<u>\$ 43,235,154</u>	<u>\$ 46,297,466</u>	<u>\$ 48,339,113</u>	<u>\$ 51,988,950</u>	<u>\$ 53,058,015</u>	<u>\$ 54,887,722</u>	<u>\$ 54,180,747</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 545,215	\$ 630,026	\$ 643,467	\$ 657,837	\$ 699,323	\$ 727,516	\$ 723,489	\$ 654,759	\$ 690,067	\$ 690,081
Public safety	1,868,326	2,109,951	2,380,485	2,392,264	2,797,387	2,814,847	3,134,010	3,021,853	3,135,880	3,519,389
Physical environment	169,750	177,515	209,146	168,483	169,791	186,427	175,490	184,854	307,390	239,715
Transportation	-	-	-	-	-	-	-	20	-	-
Culture/recreation	374,117	378,345	423,844	356,468	330,104	463,927	591,274	494,045	162,003	181,429
Operating grants and contributions	604,223	632,434	917,380	708,400	606,237	701,467	1,207,794	916,476	916,385	1,122,397
Capital grants and contributions	160,702	1,103,109	375,687	386,754	774,297	306,924	690,902	381,656	1,137,225	438,118
Total governmental activities program revenues	<u>3,722,333</u>	<u>5,031,380</u>	<u>4,950,009</u>	<u>4,670,206</u>	<u>5,377,139</u>	<u>5,201,108</u>	<u>6,522,959</u>	<u>5,653,663</u>	<u>6,348,950</u>	<u>6,191,129</u>
Business-type activities:										
Charges for services:										
Water/Sewer	11,698,218	12,656,837	13,067,679	13,626,383	14,559,195	15,487,892	16,075,934	16,573,432	17,289,453	18,122,919
Sanitation	4,031,733	4,108,504	4,290,803	4,501,118	4,707,377	4,998,115	5,050,222	5,216,017	5,513,192	6,020,546
Storm Water	1,106,378	1,112,834	1,148,787	1,144,356	1,306,718	1,334,347	1,426,445	1,614,987	1,667,423	1,747,570
Golf Course	1,363,095	1,454,599	1,064,827	1,300,411	1,361,752	1,293,925	1,295,983	1,291,048	1,174,130	1,632,985
Marina	45,235	50,684	60,861	71,084	74,064	78,181	81,315	53,003	116,293	128,511
Operating grants and contributions	44,988	13,469	-	-	-	10,093	166,126	1,257,474	178,506	101,482
Capital grants and contributions	2,116,009	2,259,507	6,388,338	11,048,730	2,055,112	482,469	1,035,670	557,077	399,718	1,245,982
Total business-type activities program revenues	<u>20,405,656</u>	<u>21,656,434</u>	<u>26,021,295</u>	<u>31,692,082</u>	<u>24,064,218</u>	<u>23,685,022</u>	<u>25,131,695</u>	<u>26,563,038</u>	<u>26,338,715</u>	<u>28,999,995</u>
Total primary government program revenues	<u>\$ 24,127,989</u>	<u>\$ 26,687,814</u>	<u>\$ 30,971,304</u>	<u>\$ 36,362,288</u>	<u>\$ 29,441,357</u>	<u>\$ 28,886,130</u>	<u>\$ 31,654,654</u>	<u>\$ 32,216,701</u>	<u>\$ 32,687,665</u>	<u>\$ 35,191,124</u>

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

	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (18,413,204)	\$ (17,932,395)	\$ (18,741,122)	\$ (19,343,309)	\$ (21,132,654)	\$ (21,954,226)	\$ (22,754,878)	\$ (25,149,822)	\$ (25,235,710)	\$ (23,740,795)
Business-type activities	5,365,505	4,735,069	8,760,087	12,470,443	4,276,545	2,501,243	2,420,582	4,308,508	3,035,653	4,751,172
Total primary government net expense	<u>\$ (13,047,699)</u>	<u>\$ (13,197,326)</u>	<u>\$ (9,981,035)</u>	<u>\$ (6,872,866)</u>	<u>\$ (16,856,109)</u>	<u>\$ (19,452,983)</u>	<u>\$ (20,334,296)</u>	<u>\$ (20,841,314)</u>	<u>\$ (22,200,057)</u>	<u>\$ (18,989,623)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 7,026,707	\$ 6,853,987	\$ 6,972,982	\$ 7,378,995	\$ 7,828,030	\$ 8,286,893	\$ 8,903,816	\$ 9,437,667	\$ 9,955,730	\$ 10,563,392
Property - TIF	121,924	115,714	135,007	151,086	165,527	185,586	203,895	238,881	244,654	276,100
Utility	2,386,538	2,603,245	2,796,901	2,778,970	2,896,032	2,963,184	3,045,339	3,246,311	3,425,760	3,509,721
Communication service	1,142,824	1,073,489	1,024,720	967,373	940,076	919,582	937,774	884,958	887,536	883,221
Half-cent sales	1,236,403	1,292,192	1,372,185	1,450,989	1,522,938	1,542,364	1,599,644	1,661,161	1,581,655	1,851,893
Local option gas	295,330	301,086	301,389	312,407	321,439	324,217	333,801	339,385	305,692	318,785
Local option sales	1,762,725	1,862,505	1,987,731	2,139,530	2,250,231	2,313,011	2,450,847	2,578,452	2,618,770	3,134,052
Local business (A)	176,558	172,804	162,355	161,021	161,569	160,636	141,876	151,605	138,677	147,305
Other	52,478	54,694	57,011	57,623	59,348	63,893	61,185	60,389	62,846	63,848
Franchise fees (A)	1,653,880	1,612,675	1,765,945	1,777,207	1,666,479	1,649,933	1,768,138	1,887,605	1,820,718	2,007,395
State revenue sharing	656,534	662,791	708,168	763,051	787,803	834,871	863,397	903,617	836,459	980,405
Investment income	238,069	30,369	173,212	304,826	269,278	207,753	208,846	768,522	432,880	40,194
Miscellaneous	912,698	237,202	867,571	509,088	284,976	209,878	344,919	319,833	1,027,184	336,612
Transfers	954,751	935,707	951,553	1,040,510	1,055,277	1,253,344	1,416,062	1,711,753	1,904,161	2,019,387
Total governmental activities	<u>18,617,419</u>	<u>17,808,460</u>	<u>19,276,730</u>	<u>19,792,676</u>	<u>20,209,003</u>	<u>20,915,145</u>	<u>22,279,539</u>	<u>24,190,139</u>	<u>25,242,722</u>	<u>26,132,310</u>
Business-type activities:										
Investment income	232,979	68,412	199,643	239,449	199,000	153,778	148,401	645,812	319,108	82,522
Transfers	<u>(954,751)</u>	<u>(935,707)</u>	<u>(951,553)</u>	<u>(1,040,510)</u>	<u>(1,055,277)</u>	<u>(1,253,344)</u>	<u>(1,416,062)</u>	<u>(1,711,753)</u>	<u>(1,904,161)</u>	<u>(2,019,387)</u>
Total business-type activities	<u>(721,772)</u>	<u>(867,295)</u>	<u>(751,910)</u>	<u>(801,061)</u>	<u>(856,277)</u>	<u>(1,099,566)</u>	<u>(1,267,661)</u>	<u>(1,065,941)</u>	<u>(1,585,053)</u>	<u>(1,936,865)</u>
Total primary government	<u>\$ 17,895,647</u>	<u>\$ 16,941,165</u>	<u>\$ 18,524,820</u>	<u>\$ 18,991,615</u>	<u>\$ 19,352,726</u>	<u>\$ 19,815,579</u>	<u>\$ 21,011,878</u>	<u>\$ 23,124,198</u>	<u>\$ 23,657,669</u>	<u>\$ 24,195,445</u>
Change in Net Position										
Governmental activities	\$ 204,215	\$ (123,935)	\$ 535,608	\$ 449,367	\$ (923,651)	\$ (1,039,081)	\$ (475,339)	\$ (959,683)	\$ 7,012	\$ 2,391,515
Business-type activities	4,643,733	3,867,774	8,008,177	11,669,382	3,420,268	1,401,677	1,152,921	3,242,567	1,450,600	2,814,307
Total primary government	<u>\$ 4,847,948</u>	<u>\$ 3,743,839</u>	<u>\$ 8,543,785</u>	<u>\$ 12,118,749</u>	<u>\$ 2,496,617</u>	<u>\$ 362,596</u>	<u>\$ 677,582</u>	<u>\$ 2,282,884</u>	<u>\$ 1,457,612</u>	<u>\$ 5,205,822</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				
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund											
	Nonspendable	\$ 370,883	\$ 378,222	\$ 346,049	\$ 347,936	\$ 372,891	\$ 379,224	\$ 380,997	\$ 371,262	\$ 206,381	\$ 868,023
	Restricted	235,644	251,147	264,696	254,281	196,191	192,379	244,990	302,388	449,355	408,595
	Committed	2,383,557	2,095,903	2,626,978	2,761,515	2,860,248	2,606,310	2,698,797	2,467,081	1,409,763	1,670,606
	Assigned	4,041,932	4,816,784	4,666,200	3,502,247	2,493,910	2,058,525	2,018,619	2,661,208	4,094,040	3,402,979
	Unassigned	10,559,574	9,178,148	8,872,797	8,820,443	8,820,443	8,562,911	8,834,948	8,819,109	8,577,559	8,772,084
Total general fund		<u>\$ 17,591,590</u>	<u>\$ 16,720,204</u>	<u>\$ 16,776,720</u>	<u>\$ 15,686,422</u>	<u>\$ 14,743,683</u>	<u>\$ 13,799,349</u>	<u>\$ 14,178,351</u>	<u>\$ 14,621,048</u>	<u>\$ 14,737,098</u>	<u>\$ 15,122,287</u>
All Other Governmental Funds											
	Nonspendable	\$ 4,203,228	\$ 3,042,589	\$ 2,871,358	\$ 2,694,108	\$ 2,511,158	\$ 2,322,086	\$ 2,129,503	\$ 2,002,798	\$ -	\$ -
	Restricted	8,033,543	8,712,030	9,095,312	7,471,368	7,445,756	6,419,795	6,196,798	5,370,510	5,992,915	7,445,299
	Committed	428,968	431,557	432,353	434,017	337,974	340,959	257,795	191,051	2,053,732	2,055,147
	Unassigned	(37,325)	(29,340)	(22,406)	-	-	-	-	-	-	-
Total all other governmental funds		<u>\$ 12,628,414</u>	<u>\$ 12,156,836</u>	<u>\$ 12,376,617</u>	<u>\$ 10,599,493</u>	<u>\$ 10,294,888</u>	<u>\$ 9,082,840</u>	<u>\$ 8,584,096</u>	<u>\$ 7,564,359</u>	<u>\$ 8,046,647</u>	<u>\$ 9,500,446</u>
Total Fund Balance All Governmental Funds		<u>\$ 30,220,004</u>	<u>\$ 28,877,040</u>	<u>\$ 29,153,337</u>	<u>\$ 26,285,915</u>	<u>\$ 25,038,571</u>	<u>\$ 22,882,189</u>	<u>\$ 22,762,447</u>	<u>\$ 22,185,407</u>	<u>\$ 22,783,745</u>	<u>\$ 24,622,733</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				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 12,790,682	\$ 12,867,116	\$ 13,246,078	\$ 13,738,296	\$ 14,397,377	\$ 14,967,524	\$ 15,813,454	\$ 16,638,380	\$ 17,332,165	\$ 18,556,477
Licenses, permits and fees	1,961,249	2,346,719	2,769,747	2,368,714	2,433,841	2,378,297	3,094,150	2,529,193	3,010,676	3,047,913
Intergovernmental	2,650,694	3,408,688	2,880,488	2,872,827	3,469,094	3,201,918	3,703,583	3,748,511	3,931,414	4,290,143
Charges for services	1,967,159	2,179,396	2,174,865	2,624,418	2,662,086	3,091,045	3,125,487	3,127,683	2,932,150	3,043,912
Fines and forfeitures	233,909	211,463	160,649	128,387	249,628	86,240	265,358	211,963	167,947	310,282
Other	1,772,274	873,106	1,205,617	1,659,084	1,328,446	1,120,535	1,361,333	1,755,721	2,338,589	1,144,079
Total Revenues	21,375,967	21,886,488	22,437,444	23,391,726	24,540,472	24,845,559	27,363,365	28,011,451	29,712,941	30,392,806
Expenditures										
General government	2,563,972	2,644,069	2,788,106	2,970,399	3,009,776	3,204,654	3,495,939	3,818,917	4,480,622	4,248,303
Public safety	10,883,704	11,401,751	11,882,838	12,528,332	12,997,966	12,981,317	13,924,148	14,678,798	15,153,117	15,712,363
Physical environment	1,147,784	1,075,278	1,047,300	875,078	972,368	1,032,214	1,049,206	1,202,198	1,264,676	1,449,964
Transportation	994,527	1,039,533	1,126,516	1,046,882	1,056,737	1,035,593	1,104,129	1,211,594	1,241,641	1,258,061
Economic environment	199,870	276,719	253,750	245,914	320,472	388,246	425,271	302,268	338,645	373,348
Culture & recreation	3,476,283	3,449,764	3,527,733	3,542,855	3,649,825	3,881,670	3,959,979	3,913,130	3,883,959	3,851,729
Capital outlay	2,634,800	4,344,599	3,381,973	6,090,198	4,861,649	5,731,591	4,940,497	5,173,339	5,511,297	3,439,838
Debt service										
Interest	12,542	8,114	3,526	-	-	-	-	-	38,928	22,857
Principal	137,000	141,000	146,000	-	-	-	-	-	200,671	216,742
Total expenditures	22,050,482	24,380,827	24,157,742	27,299,658	26,868,793	28,255,285	28,899,169	30,300,244	32,113,556	30,573,205
Excess of revenues over (under) expenditures	(674,515)	(2,494,339)	(1,720,298)	(3,907,932)	(2,328,321)	(3,409,726)	(1,535,804)	(2,288,793)	(2,400,615)	(180,399)
Other Financing Sources (Uses)										
Land sale	-	-	802,669	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	1,094,792	-
Transfers in	1,450,979	1,568,129	1,554,926	1,402,510	1,644,613	1,699,548	1,978,184	2,277,599	2,732,739	2,369,387
Transfers out	(496,228)	(416,754)	(361,000)	(362,000)	(563,636)	(446,204)	(562,122)	(565,846)	(828,578)	(350,000)
Total other financing sources (uses)	954,751	1,151,375	1,996,595	1,040,510	1,080,977	1,253,344	1,416,062	1,711,753	2,998,953	2,019,387
Net change in fund balances	\$ 280,236	\$ (1,342,964)	\$ 276,297	\$ (2,867,422)	\$ (1,247,344)	\$ (2,156,382)	\$ (119,742)	\$ (577,040)	\$ 598,338	\$ 1,838,988
Debt service as a percentage of noncapital expenditures	0.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%

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

Fiscal Year	Property	Franchise	Utility	Communication Service	Local Business Tax	Sales & Use Tax	Total
2012	\$ 7,026,707	\$ 1,653,880	\$ 2,386,538	\$ 1,142,824	\$ 176,558	\$ 2,058,055	\$ 14,444,562
2013	6,853,987	1,612,675	2,603,245	1,073,489	172,804	2,163,591	14,479,791
2014	6,972,982	1,765,945	2,796,901	1,024,720	162,355	2,289,120	15,012,023
2015	7,378,995	1,777,207	2,778,970	967,373	161,021	2,451,937	15,515,503
2016	7,828,030	1,666,479	2,896,032	940,076	161,569	2,571,670	16,063,856
2017	8,286,893	1,649,933	2,963,184	919,582	160,636	2,637,228	16,617,456
2018	8,903,816	1,768,138	3,045,340	937,774	141,876	2,784,648	17,581,592
2019	9,437,668	1,887,605	3,246,311	884,958	151,605	2,917,838	18,525,985
2020	9,955,730	1,820,718	3,425,760	887,536	138,677	2,924,462	19,152,883
2021	10,563,392	2,007,395	3,509,721	883,221	147,306	3,452,837	20,563,872
Change 2012 - 2021	50.3%	21.4%	47.1%	-22.7%	-16.6%	67.8%	42.4%

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		
2012	\$ 1,294,061,078	B \$ 263,907,132	\$ 53,004,754	\$ 198,799,665	\$ 1,809,772,629	\$ 549,402,203	\$ 1,260,370,426	\$ 83,165,794	\$ 14,826,327	\$ 68,339,467	\$ 1,892,938,423	\$ 564,228,530	\$ 1,328,709,893	5.4500	29.81%
2013	1,260,764,191	B 261,785,756	50,657,910	203,728,378	1,776,936,235	545,146,481	1,231,789,754	80,263,674	13,708,093	66,555,581	1,857,199,909	558,854,574	1,298,345,335	5.4500	30.09%
2014	1,268,130,129	268,766,883	52,755,583	211,147,924	1,800,800,519	547,856,726	1,252,943,793	76,678,205	13,635,441	63,042,764	1,877,478,724	561,492,167	1,315,986,557	5.4500	29.91%
2015	1,334,111,444	284,024,094	53,657,954	220,000,659	1,891,794,151	559,583,542	1,332,210,609	81,290,925	13,587,262	67,703,663	1,973,085,076	573,170,804	1,399,914,272	5.4500	29.05%
2016	1,409,731,510	293,863,605	56,052,196	224,926,078	1,984,573,389	569,565,707	1,415,007,682	80,383,933	13,191,947	67,191,986	2,064,957,322	582,757,654	1,482,199,668	5.4500	28.22%
2017	1,485,135,800	314,812,488	57,047,971	228,200,974	2,085,197,233	576,890,857	1,508,306,376	84,954,573	16,159,495	68,795,078	2,170,151,806	593,050,352	1,577,101,454	5.4200	27.33%
2018	1,583,455,376	330,947,135	61,756,957	235,291,885	2,211,451,353	592,890,424	1,618,560,929	96,244,755	16,588,585	79,656,170	2,307,696,108	609,479,009	1,698,217,099	5.4200	26.41%
2019	1,705,299,840	340,710,083	62,398,617	244,149,350	2,352,557,890	627,063,266	1,725,494,624	94,094,896	16,442,010	77,652,886	2,446,652,786	643,505,276	1,803,147,510	5.4200	26.30%
2020	1,808,208,315	356,125,176	64,716,512	262,127,787	2,491,177,790	654,131,128	1,837,046,662	96,215,696	16,608,703	79,606,993	2,587,393,486	670,739,831	1,916,653,655	5.3700	25.92%
2021	1,922,904,259	374,454,907	69,653,422	274,687,945	2,641,700,533	687,733,101	1,953,967,432	96,470,155	16,088,548	80,381,607	2,738,170,688	703,821,649	2,034,349,039	5.3700	25.70%
Change 2012 - 2021	49%	42%	31%	38%	46%	25%	55%	16%	9%	18%	45%	25%	53%	-1%	

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	
2012	\$ 183,499,325	\$ 45,571,359	\$ 163,055,919	\$ 134,246,818	\$ 10,847,769	\$ -	\$ 12,181,013	\$ 549,402,203	\$ 176,433	\$ 5,898,511	\$ 8,729,473	\$ 21,910	\$ 14,826,327	\$ 564,228,530
2013	186,759,207	46,040,744	162,222,590	127,760,264	10,759,291	-	11,604,385	545,146,481	158,320	4,969,664	8,558,900	21,209	13,708,093	558,854,574
2014	189,015,469	48,492,779	160,787,995	127,159,944	9,794,976	-	12,605,563	547,856,726	143,560	4,760,580	8,710,802	20,499	13,635,441	561,492,167
2015	198,182,189	51,512,295	158,339,314	127,280,588	9,585,445	-	14,683,711	559,583,542	383,168	4,372,801	8,811,471	19,822	13,587,262	573,170,804
2016	202,633,169	54,045,257	159,306,093	129,832,648	9,588,094	-	14,160,446	569,565,707	352,697	4,049,784	8,770,317	19,149	13,191,947	582,757,654
2017	205,311,962	54,091,982	160,601,356	133,049,364	9,386,780	-	14,449,413	576,890,857	320,895	6,921,438	8,898,647	18,515	16,159,495	593,050,352
2018	207,757,906	55,309,843	164,782,650	138,802,226	9,456,838	-	16,780,961	592,890,424	538,798	7,146,147	8,885,562	18,078	16,588,585	609,479,009
2019	218,274,077	64,378,767	169,308,444	145,576,793	9,640,091	-	19,885,094	627,063,266	490,648	7,107,059	8,826,577	17,726	16,442,010	643,505,276
2020	227,639,854	70,381,166	172,464,113	150,915,099	9,576,296	-	23,154,600	654,131,128	445,571	7,109,021	9,036,701	17,410	16,608,703	670,739,831
2021	241,917,451	78,003,549	175,911,141	156,290,979	9,651,896	-	25,958,085	687,733,101	403,876	7,163,908	8,503,703	17,061	16,088,548	703,821,649

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)	
2012	5.4500	8.3850	4.8730	.7305	.8506	1.2390	21.5281
2013	5.4500	8.3020	5.0727	.7305	.9158	1.3034	21.7744
2014	5.4500	8.0600	5.3377	.7305	.9158	1.2959	21.7899
2015	5.4500	7.8410	5.3377	.7305	.9158	1.2799	21.5549
2016	5.4500	7.7700	5.3377	.7305	.9158	1.2629	21.4669
2017	5.4200	7.3180	5.3377	.7500	.9158	1.2448	20.9863
2018	5.4200	7.0090	5.3590	.7500	.9158	1.2262	20.6800
2019	5.4200	6.7270	5.3590	.7500	.9158	1.2086	20.3804
2020	5.3700	6.5840	5.3590	.7500	.9158	1.1932	20.1720
2021	5.3700	6.4270	5.3590	.7500	.9158	1.1800	20.0018

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	0.2669
	<u>1.1800</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	2021			2012		
	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	\$ 21,475,000	1	1.06%	\$ 15,160,000	1	1.14%
CRP/CRE - Sun Valley LLC	16,825,000	2	0.83%	-		-
CRP/CRE Meadows Owner LLC	15,100,000	3	0.74%	-		-
DDR Tarpon Square LLC	11,925,000	4	0.59%	12,444,980	2	0.94%
Lowes Home Centers Inc	11,084,488	5	0.54%	-		-
Riverside Partners LTD	9,196,000	6	0.45%	10,600,000	3	0.80%
Wal-Mart Stores East LP	7,805,000	7	0.38%	4,441,913	10	0.33%
Storage Trust Properties	7,790,000	8	0.38%	4,485,000	9	0.34%
Lime Street Properties Inc	7,744,000	9	0.38%	4,750,000	8	0.36%
H D B V M Hospitality Inc	7,502,561	10	0.37%	-		-
Shamrock Millco-Sun Valley LLC	-		-	7,125,000	4	0.54%
Turtle Cove Group LLC	-		-	6,571,900	5	0.49%
River Site LLC	-		-	6,045,826	6	0.46%
CRP II - Tarpon Springs LLC	-		-	5,176,491	7	0.39%
TOTAL	\$ <u>116,447,049</u>		<u>5.72%</u>	\$ <u>76,801,110</u>		<u>5.79%</u>

A) Percentages are based on the total assessed value of \$ 2,034,349,039

B) Percentages are based on the total assessed value of \$ 1,328,709,893

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	2021			2012		
	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)	\$ 22,925,454	1	1.13%	\$ 15,358,954	1	1.16%
Frontier CommunicationsVerizon Florida LLC	5,993,401	2	0.29%	11,111,040	2	0.84%
Herc Rentals Inc	4,961,550	3	0.24%	1,216,891	8	0.09%
Southern Road & Bridge LLC	3,677,311	4	0.18%	-	-	-
Lowe's of Tarpon Springs	3,412,191	5	0.17%	-	-	-
Spectrum Sunshine State LLC	2,741,179	6	0.13%	-	-	-
St Lukes Cataract & Laser Inst. Inc	2,668,996	7	0.13%	2,236,077	5	0.17%
Reload Gun Range	1,719,366	8	0.08%	-	-	-
Wal-Mart Stores East LP	1,433,947	9	0.07%	-	-	-
Seminole Equipment INC	1,322,967	10	0.07%	-	-	-
Verizon Wireless	-	-	-	4,143,237	3	0.31%
Brighthouse Networks LLC	-	-	-	3,388,432	4	0.26%
General Electric Capital Corp	-	-	-	1,880,994	6	0.14%
Sweetbay Supermarket	-	-	-	1,803,785	7	0.14%
Winn Dixie	-	-	-	1,150,733	9	0.09%
Publix Super Market	-	-	-	1,057,169	10	0.08%
TOTAL	\$ <u>50,856,362</u>		<u>2.49%</u>	\$ <u>43,347,312</u>		<u>3.28%</u>

A) Percentages are based on the total assessed value of \$ 2,034,349,039

B) Percentages are based on the total assessed value of \$ 1,328,709,893

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
2012	\$ 7,241,470	\$ 6,992,075	96.56%	\$ 38,287	\$ 7,030,362	97.08%
2013	7,075,982	6,823,866	96.44%	39,326	6,863,192	96.99%
2014	7,172,129	6,921,677	96.51%	18,123	6,939,800	96.76%
2015	7,629,535	7,365,640	96.54%	31,174	7,396,814	96.95%
2016	8,077,989	7,798,312	96.54%	25,129	7,823,441	96.85%
2017	8,547,890	8,257,776	96.61%	16,818	8,274,594	96.80%
2018	9,204,337	8,883,785	96.52%	13,661	8,897,446	96.67%
2019	9,773,060	9,425,095	96.44%	16,932	9,442,027	96.61%
2020	10,292,431	9,918,870	96.37%	15,038	9,933,908	96.52%
2021	10,924,456	10,536,547	96.45%	10,094	10,546,641	96.54%

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			
2012	\$ 287,000	\$ -	\$ 6,673,965	\$ -	\$ -	\$ 6,960,965	0.70%	293
2013	146,000	-	36,255,249	6,741,900	-	43,143,149	3.79%	1,803
2014	-	-	36,238,777	11,197,727	-	47,436,504	4.30%	1,959
2015	-	-	35,432,306	-	-	35,432,306	3.16%	1,451
2016	-	-	34,595,836	-	-	34,595,836	2.94%	1,404
2017	-	-	33,729,364	-	-	33,729,364	2.73%	1,344
2018	-	-	32,832,892	-	-	32,832,892	2.55%	1,290
2019	-	-	31,901,421	-	-	31,901,421	2.34%	1,251
2020	-	894,121	30,887,972	-	-	31,782,093	2.33%	1,225
2021	-	677,378	29,891,524	-	-	30,568,902	2.25%	1,205

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

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u> General Obligation Bonds	<u>Revenue Note</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Real Property (A)</u>	<u>Per Capita (B)</u>
2012	\$ -	\$ 287,000	\$ 287,000	0.02%	12
2013	-	146,000	146,000	0.01%	6
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	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 31, 2021

<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	\$ 12,005,521	2.22%	\$ 266,523
Pinellas County Capital Leases	433,171	2.22%	9,616
Pinellas County School District Certificates of Participation	133,888,657	2.22%	2,972,328
Pinellas County School District State Bonds	6,000	2.22%	133
Pinellas County School District Capital Leases	2,974,406	2.22%	66,032
Subtotal, overlapping debt			<u>3,314,633</u>
City direct debt	677,378	100.00%	<u>677,378</u>
Total direct and overlapping debt			<u>\$ 3,992,011</u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$2,034,349,039/\$91,725,856,109).

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

Legal Debt Margin Calculation for Fiscal Year 2021	
Assessed value (A)	2,034,349,039
Debt limit (100% of total assessed value) (B)	<u>\$ 2,034,349,039</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	-
Capital leases	<u>677,378</u>
Total net debt applicable to limit	<u>677,378</u>
Legal debt margin	<u><u>\$ 2,033,671,661</u></u>

	Fiscal Year						Fiscal Year			
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit (B)	\$ 1,328,709,893	\$ 1,298,345,335	\$ 1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510	\$ 1,916,653,655	\$ 2,034,349,036
Total net debt applicable to limit (C)	<u>287,000</u>	<u>146,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>894,121</u>	<u>677,378</u>
Legal debt margin (B)	\$ 1,328,422,893	\$ 1,298,199,335	\$ 1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510	\$ 1,915,759,534	\$ 2,033,671,658
Total net debt applicable to the limit as a percentage of debt limit	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%

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							Coverage
	Gross Revenues		Less:	Net	Debt Service			
			Operating Expenses (B)	Available Revenue	Principal	Interest	Total	
2012	\$ 11,941,116	A	\$ 7,762,107	\$4,179,009	\$ -	\$ 52,075	\$ 52,075	80.25
2013	12,947,503	C	8,763,536	4,183,967	-	202,800	202,800	20.63
2014	13,327,366	C	8,823,343	4,504,023	-	873,784	873,784	5.15
2015	13,858,647	C	9,403,297	4,455,350	790,000	1,306,356	2,096,356	2.13
2016	14,803,807	C	8,073,401	6,730,406	820,000	1,223,312	2,043,312	3.29
2017	15,779,350	C	8,568,453	7,210,897	850,000	1,193,013	2,043,013	3.53
2018	16,869,252	C	8,649,025	8,220,227	880,000	1,161,563	2,041,563	4.03
2019	17,120,552	C	9,049,227	8,071,325	915,000	1,129,013	2,044,013	3.95
2020	17,670,251	C	9,656,986	8,013,265	940,000	1,101,563	2,041,563	3.93
2021	18,439,244	C	10,028,469	8,410,775	975,000	1,070,563	2,045,563	4.11

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>
2012	23,737	\$ 996,099	\$ 41,964	46.5	6,222	10.5%
2013	23,935	1,137,463	47,523	47.4	5,756	8.5%
2014	24,220	1,103,802	45,574	47.7	6,596	6.7%
2015	24,421	1,121,534	45,925	47.5	6,597	6.3%
2016	24,637	1,175,949	47,731	47.8	6,328	5.4%
2017	25,093	1,234,224	49,186	48.0	6,449	4.9%
2018	25,455	1,288,787	50,630	48.1	6,471	4.2%
2019	25,507	1,363,477	53,455	48.3	6,514	3.6%
2020	25,937	1,362,834	52,544	49.2	6,483	3.3%
2021	25,359 F	1,358,583	53,574	50.2	6,523	3.5%

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.
- F) Population adjustment from 2020 census.

City of Tarpon Springs, Florida
Schedule 16
Principal Employers, Pinellas County
Current Year and Nine Years Ago

Employer	2021		2012	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	4,000	1	2,600	4
Home Shopping Club	2,000	2	4,000	1
Tech Data Corp.	2,000	3	2,500	5
Spectrum	2,000	4	-	-
Fidelity Information Services	1,500	5	4,000	2
The Nielsen Company	1,500	6	3,000	3
Jabil Circuit, Inc.	1,500	7	1,700	7
Honeywell Aerospace	1,500	8	-	-
Valpak	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Agora Marketing Solutions	-	-	1,800	6
Western Reserve Life Assur.	-	-	1,500	8
Ceridian Benefit Services	-	-	1,200	9
Franklin Templeton Invest.	-	-	1,200	10
TOTAL	18,500		23,500	

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
General government	28.80	29.80	29.80	29.80	31.10	32.10	32.77	33.77	34.77	35.77
Public safety	105.00	106.00	106.00	106.00	111.00	114.00	117.36	119.20	120.10	121.10
Physical environment	15.20	14.20	13.20	12.45	11.65	12.65	11.40	11.40	11.40	11.40
Transportation	10.30	9.30	9.30	8.40	8.40	8.40	8.40	8.40	8.40	8.50
Economic Environment	2.20	2.20	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Culture/recreation	37.00	37.00	36.45	38.40	36.65	36.65	38.95	38.95	38.95	38.95
Water/Sewer	58.55	59.55	59.55	60.27	73.07	73.82	74.73	75.09	79.12	81.12
Sanitation	7.60	7.60	7.60	8.40	7.40	7.40	7.55	7.55	8.55	8.55
Stormwater	8.25	8.25	8.25	8.43	7.93	7.93	8.59	8.59	8.66	8.56
Golf Course	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Marina	0.10	0.10	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20
Total	277.00	278.00	278.00	281.00	296.25	302.00	308.80	312.00	319.00	323.00

Source: City Budget documents.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Public safety										
Police										
Arrests	942	1,007	1,008	1,008	1,048	961	984	1,424	1,049	686
Parking violations	227	623	341	217	125	303	269	150	140	148
Citations	3,004	3,184	2,570	1,981	1,852	2,125	2,125	1,979	1,430	1,828
Fire/EMS										
Fire calls	71	55	45	68	77	227	61	71	68	67
EMS calls	2,672	3,291	3,377	3,518	3,852	3,970	4,016	3,998	4,358	4,625
False alarms	151	141	195	199	223	247	201	188	182	198
Culture/recreation										
Community center attendance	12,767	13,607	13,211	13,695	25,881	32,328	33,980	31,641 A	12,532	11,098
Leagues	11	13	12	9	7	7	7	8	4	7
Library-circulation	303,567	287,679	287,558	287,797	264,140	246,149	229,706	233,973	254,744	202,384
Library-materials	110,582	101,285	100,734	92,341	99,715	96,242	95,289	96,594	99,611	90,118
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,679	2,707	2,602	2,513	2,525	2,493	2,405	2,839	2,892	2,930
Sewer										
Annual average daily flow (thousands of gallons)	2,115	2,030	1,870	1,950	2,140	2,070	1,970	2,100	2,000	2,020
Golf Course										
Rounds of golf played	56,984	58,535 *	40,320	48,091	47,194	47,184	44,317	39,311	41,894	55,192

* Golf Course closed for renovations from June through September 2014.

A Community Center attendance and leagues down due to COVID 19 in FY 2020

Source: City Departments

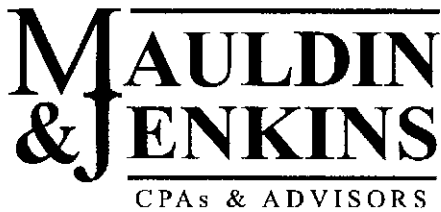
City of Tarpon Springs, Florida
Schedule 19
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	3	3	3	3	3
Transportation										
Streets paved	93.0	93.0	95.5	95.5	96.6	107.0	118	118.4	118.4	118.4
Streets unpaved	1.0	1.0	1.0	1.0	1.0	4.8	3.5	3.6	3.6	3.6
Culture/recreation										
Parks acreage	430.39	431.39	435.56	435.56	435.56	435.56	435.56	435.56	435.64	435.64
Playgrounds	18	18	18	18	19	19	19	19	19	19
Baseball/softball fields	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation centers	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water/Sewer										
Water mains/miles	160	160	160	146	157	168	175	180.2	180.2	180.2
Sanitary sewer mains/miles	84.0	84.0	84.0	88.8	93.7	101.0	102.7	104.2	106.0	106.0
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	21	21	19	19

Sources: City Departments



**REPORTS OF INDEPENDENT AUDITORS/
COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' 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 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2022

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____ yes X no

Significant deficiencies identified not considered
to be material weaknesses?

____ yes X none reported

Noncompliance material to financial statements noted?

____ yes X no

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state award programs as of September 30, 2021 due to the total amount expended being less than \$750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III
FEDERAL PROGRAMS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Tarpon Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 28, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have 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*; Schedule of Findings and Responses; 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 these reports, which are dated March 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

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

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

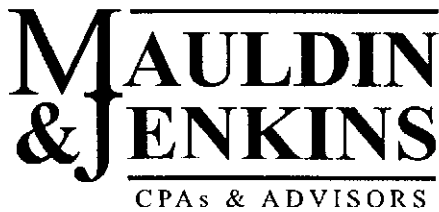
Section 10.554(1)(i)3., Rules of the Auditor General, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the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

Purpose of this Letter

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2022



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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City 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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material 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.

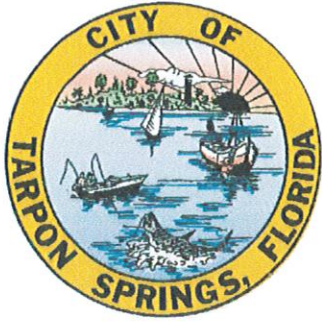
In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2022

Other Compliance Reports



City of Tarpon Springs, Florida

City of Tarpon Springs
Section 163.31801 Compliance

Affidavit

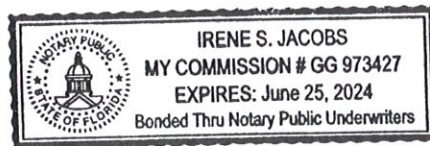
As Finance Director of the City of Tarpon Springs, my signature below indicates that the City of Tarpon Springs has complied with "Section 163.31801 – Impact fees" of the Florida Statutes for the fiscal year ending September 30, 2021.

Finance Director
City of Tarpon Springs, Florida

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this March 28, 2022,
by Ron Harring, Finance Director of the City of Tarpon Springs, who is personally
Known to me or has produced _____ as identification.

Notary Public



Irene S. Jacobs, CMC
City Clerk & Collector
City of Tarpon Springs
(727) 942-5614
(727) 942-5619 (Fax)

