

*City of Tarpon Springs,
Florida*

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2023



CITY OF TARPON SPRINGS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2023

MAYOR AND BOARD OF COMMISSIONERS

Costa Vatikiotis, Mayor

Craig Lunt, Vice-Mayor

Michael Eisner, Commissioner

Panagiotis Koulias, Commissioner

John Koulianos, Commissioner

ADMINISTRATION

Mark G. LeCouris, City Manager

Ron Haring, Finance Director

Irene S. Jacobs, City Clerk

Regina Kardash, City Attorney

Andrew Salzman, 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, 2023

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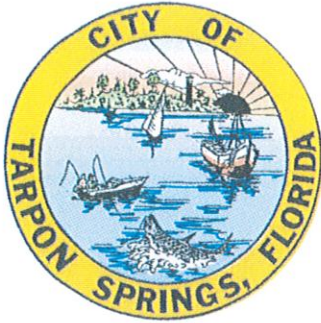


INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart



*City of Tarpon Springs,
Florida*

March 29, 2024

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, 2023.

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, 2023 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, 2023, 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 25,764. 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-24 through B-26 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 have seen 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. Fiscal Year 2022 sales tax revenues increased with the further opening up of the economy. Fiscal Year 2023 revenues increased but started to level off during the latter part of FY 2023. Fiscal Year 2023 also saw a sizeable increase in all costs including operating and capital costs. The budget for FY 2024 was projected with a slight increase for sales tax revenues. Property tax valuations and property tax revenues have increased the past couple of years and are anticipated to increase in FY 2024. The City is 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. Due to the increase in operating and capital cost a revenue sufficiency study was performed in 2023 which resulted in a 9.9% rate increase for water, sewer and reclaimed rates effective December 1, 2023.

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, 2023 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 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 2023, the average cash/investment pool balance was \$58,523,278 and the total annual earnings net of all bank charges was \$1,562,250 (net of unrealized gain/loss at September 30, 2023) giving an average rate of return of 2.67% on the average balance.

Debt Administration. At September 30, 2023, the City had total outstanding bonds payable of \$27,830,128 representing the Utility System Revenue Bond Series 2013A. The City also had two financed purchases for fire trucks with total outstanding financed purchase payable of \$750,237 representing the 2020 fire ladder truck \$232,559 and the 2021 fire truck \$517,678. 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, 2023 relative to property values at January 1, 2023 (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, 2023 increased to \$357,635, insurance premiums increased which caused a decrease in the change in net position of \$24,358 with a corresponding decrease in total Net Position to \$576,656 as of September 30, 2023. 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 \$1,133,103, \$745,207 and \$480,000 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 Mission Square formerly 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, 2022. This was the thirty-second 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, 2022. 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

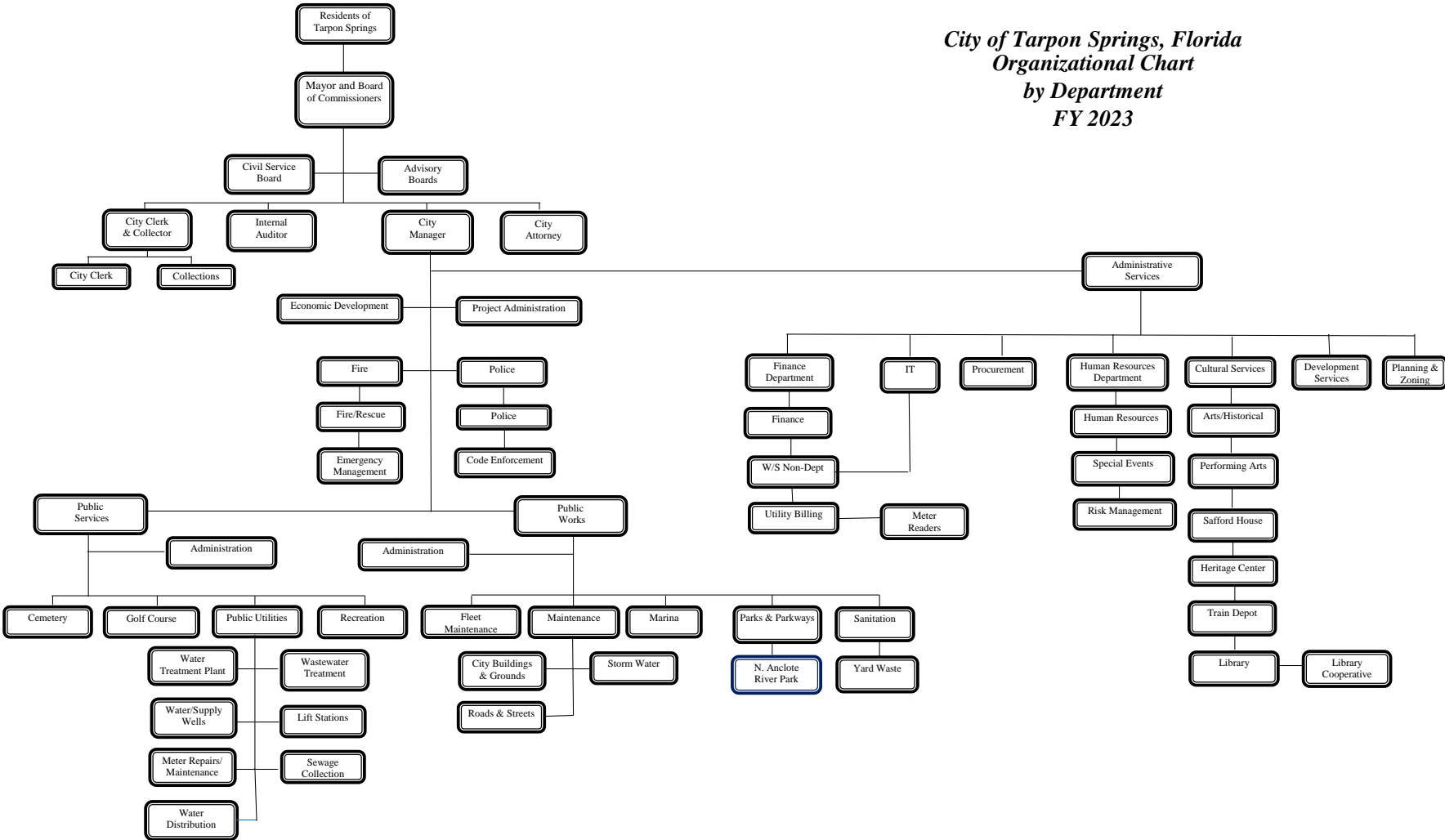
September 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

City of Tarpon Springs, Florida
Organizational Chart
by Department
FY 2023





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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Community Redevelopment Agency Fund-Downtown, and Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and pension and other post-employment benefit schedules on pages B-4 through B-17 and B-94 through B-99, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 nonmajor fund financial statements and schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

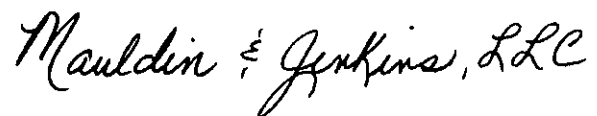
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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 City's internal control over financial reporting and compliance.



Bradenton, Florida
March 28, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

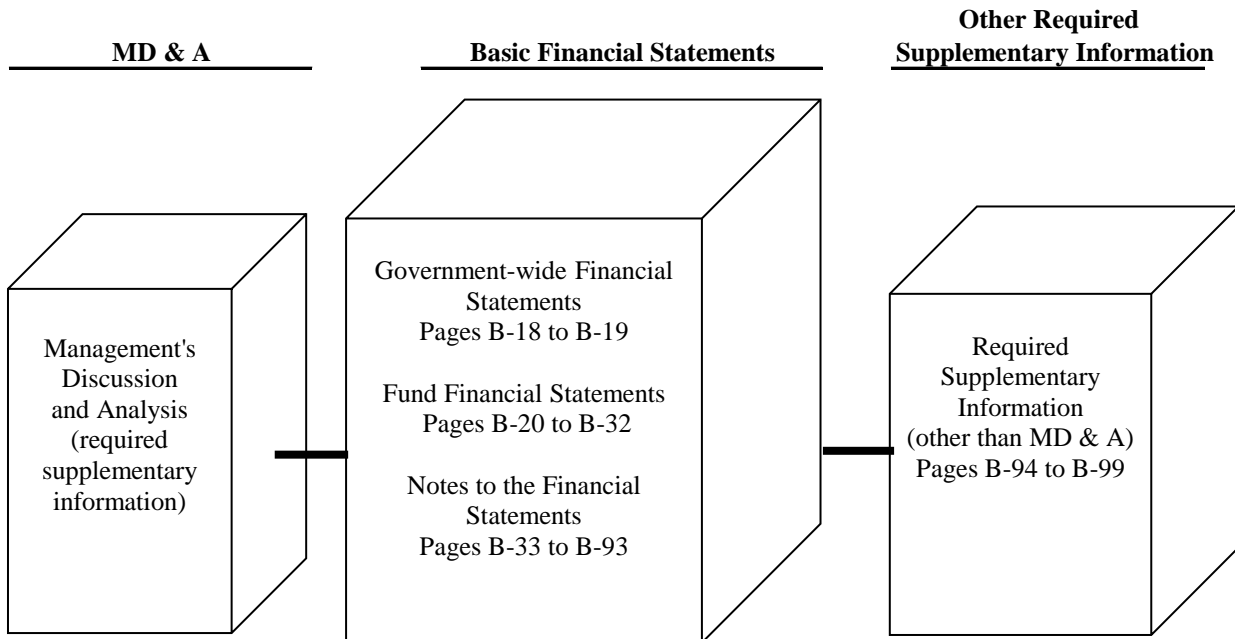
As management of the City of Tarpon Springs (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction 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 \$158,157,815 (net position). Of this amount, \$14,643,734 (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 \$3,744,551.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$27,913,777, an increase of \$2,621,718 in comparison with the prior year. The portion of this total amount, \$8,717,784, 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 \$8,717,784, or 26% of the total general fund expenditures.
- The City’s total debt decreased by \$439,999 (1.42%) \$1,025,000 of which was principal payment on the Utility System Revenue Bonds, Series 2013A, and financed purchase principal payments on 2020 fire ladder truck in the amount of \$225,726 and on the 2021 fire truck in the amount of \$170,538. The Utility System Revenue Bonds, Series 2013A has a total principal balance of \$27,605,000; financed purchases for the 2020 fire ladder truck has a total principal of \$232,559 and the 2021 fire truck has a principal balance of 517,678 at September 30, 2023. The City has \$879,182 in Lease Liability at September 30, 2023 for various property and equipment leases and \$1,079,311 in SBITA Liability at September 30, 2023 for a subscription-based information technology arrangement.

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-18 to B-19 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-20 to B-26 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-27 to B-30 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-31 to B-32 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-33 to B-93 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-94 to B-99 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 \$158,157,815 at the close of fiscal year September 30, 2023.

By far the largest portion of the City's net position (79%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, infrastructure and lease assets), 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	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 49,170,717	\$ 47,195,010	\$ 21,983,495	\$ 22,613,625	\$ 71,154,212	\$ 69,808,635
Capital assets	57,951,077	55,035,998	99,699,072	97,465,694	157,650,149	152,501,692
Total assets	107,121,794	102,231,008	121,682,567	120,079,319	228,804,361	222,310,327
Deferred Outflows of Resources						
Deferred Outflows of Resources	6,250,718	10,447,152	78,382	67,057	6,329,100	10,514,209
Liabilities						
Current and other liabilities	16,124,370	16,406,151	5,700,012	4,979,868	21,824,382	21,386,019
Long-term debt outstanding:						
Due within one year	856,291	588,733	1,144,782	1,105,753	2,001,073	1,694,486
Due in more than one year	20,146,759	20,286,459	27,413,814	28,467,774	47,560,573	48,754,233
Total liabilities	37,127,420	37,281,343	34,258,608	34,553,395	71,386,028	71,834,738
Deferred Inflows of Resources						
Deferred Inflows of Resources	5,455,418	6,070,483	134,198	106,544	5,589,616	6,177,027
Net Position						
Net investment in capital assets	54,458,119	52,011,729	70,544,832	67,632,821	125,002,951	119,644,550
Restricted	11,763,071	9,410,047	6,748,059	6,477,302	18,511,130	15,887,349
Unrestricted	4,568,482	7,505,051	10,075,252	11,376,314	14,643,734	18,881,365
Total net position	\$ 70,789,672	\$ 68,926,827	\$ 87,368,143	\$ 85,486,437	\$ 158,157,815	\$ 154,413,264

An additional portion of the City's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$14,643,734) 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 \$3,744,551 during the current fiscal year.

For more detailed information see the Statement of Net Position (page B-18).

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	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for services	\$ 4,762,433	\$ 4,560,815	\$ 32,099,002	\$ 28,966,671	\$ 36,861,435	\$ 33,527,486
Operating grants and contributions	974,435	808,278	99,238	31,722	1,073,673	840,000
Capital grants and contributions	2,049,736	861,467	333,263	446,605	2,382,999	1,308,072
General revenues:						
Property taxes	12,888,797	11,303,671	-	-	12,888,797	11,303,671
Property taxes-TIF County portion	357,509	311,256	-	-	357,509	311,256
Utility taxes	3,950,606	3,663,352	-	-	3,950,606	3,663,352
Communication service taxes	971,830	920,758	-	-	971,830	920,758
Sales, gas and other taxes	6,357,612	6,239,281	-	-	6,357,612	6,239,281
Franchise fees	2,473,730	2,126,775	-	-	2,473,730	2,126,775
State revenue sharing	1,264,001	1,232,188	-	-	1,264,001	1,232,188
Investment income	1,953,838	(834,461)	746,785	(304,259)	2,700,623	(1,138,720)
Miscellaneous	357,267	309,504	-	-	357,267	309,504
Total revenues	<u>38,361,794</u>	<u>31,502,884</u>	<u>33,278,288</u>	<u>29,140,739</u>	<u>71,640,082</u>	<u>60,643,623</u>
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	5,868,292	5,830,147	-	-	5,868,292	5,830,147
Public safety	21,787,936	20,208,566	-	-	21,787,936	20,208,566
Physical environment	1,851,130	1,668,862	-	-	1,851,130	1,668,862
Transportation	2,783,840	2,596,111	-	-	2,783,840	2,596,111
Economic environment	706,423	667,111	-	-	706,423	667,111
Culture/recreation	5,309,190	4,903,586	-	-	5,309,190	4,903,586
Interest on long-term debt	89,084	62,440	-	-	89,084	62,440
Business-type Activities:						
Water/Sewer	-	-	18,423,572	16,886,955	18,423,572	16,886,955
Sanitation	-	-	7,696,310	6,313,399	7,696,310	6,313,399
Storm water	-	-	1,726,722	1,691,095	1,726,722	1,691,095
Golf Course	-	-	1,517,899	1,541,882	1,517,899	1,541,882
Marina	-	-	135,133	126,952	135,133	126,952
Total expenses	<u>38,395,895</u>	<u>35,936,823</u>	<u>29,499,636</u>	<u>26,560,283</u>	<u>67,895,531</u>	<u>62,497,106</u>
Increase (decrease) in Net Position before Transfers	<u>(34,101)</u>	<u>(4,433,939)</u>	<u>3,778,652</u>	<u>2,580,456</u>	<u>3,744,551</u>	<u>(1,853,483)</u>
Transfers	1,896,946	2,146,651	(1,896,946)	(2,146,651)	-	-
Change in Net Position	<u>1,862,845</u>	<u>(2,287,288)</u>	<u>1,881,706</u>	<u>433,805</u>	<u>3,744,551</u>	<u>(1,853,483)</u>
Net Position - Beginning of year	68,926,827	71,214,115	85,486,437	85,052,632	154,413,264	156,266,747
Net Position - End of year	<u>\$ 70,789,672</u>	<u>\$ 68,926,827</u>	<u>\$ 87,368,143</u>	<u>\$ 85,486,437</u>	<u>\$ 158,157,815</u>	<u>\$ 154,413,264</u>

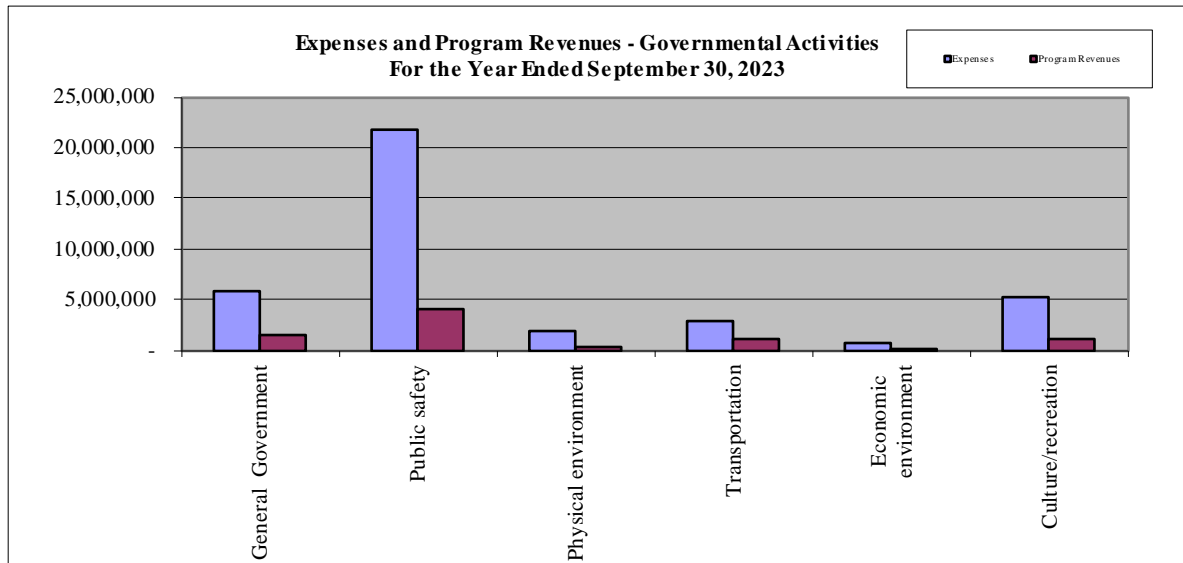
Governmental activities.

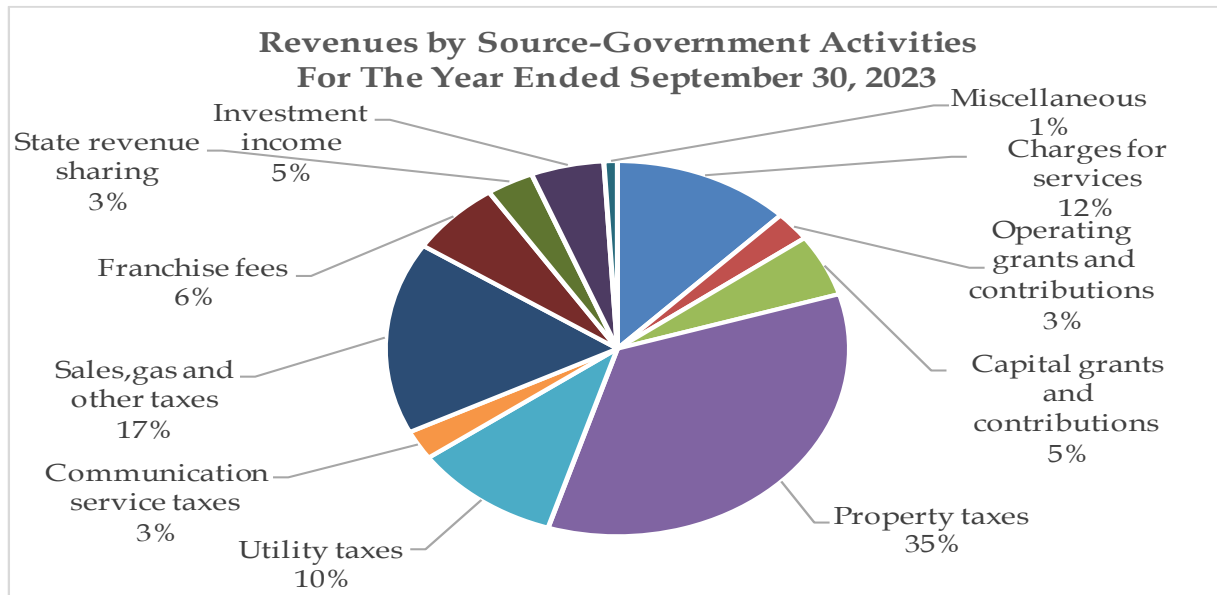
Governmental activities increased the City’s net position by \$1,862,845 accounting for a 2.7% increase in the total growth in the net position of the City. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Governmental activity revenues increased \$6,858,910 in comparison to the previous year. The major increases were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 1,506,166	Taxable Assessed Value increase of 13.96%
Interest Earnings (Realized and Unrealized)	\$ 2,788,299	Increased Rate of Returns
FDOT Grant Tarpon Roadway	\$ 814,830	Grant Reimbursement
DEP Spoil Site Grant	\$ 105,515	Grant Reimbursement
ARPA Revenue	\$ 846,933	ARPA Revenue Recognition
Total	\$ 6,061,743	

Total Governmental activity expenses increased \$2,459,072 in comparison to the previous year. The majority of this increase was due to an increase in the Police and Fire Pension liability.





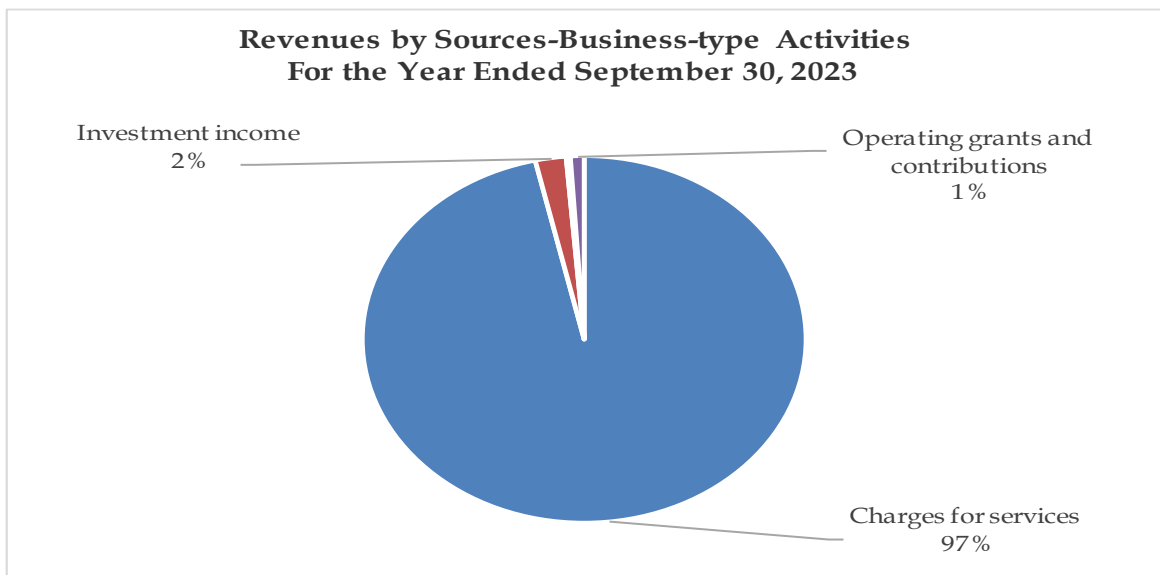
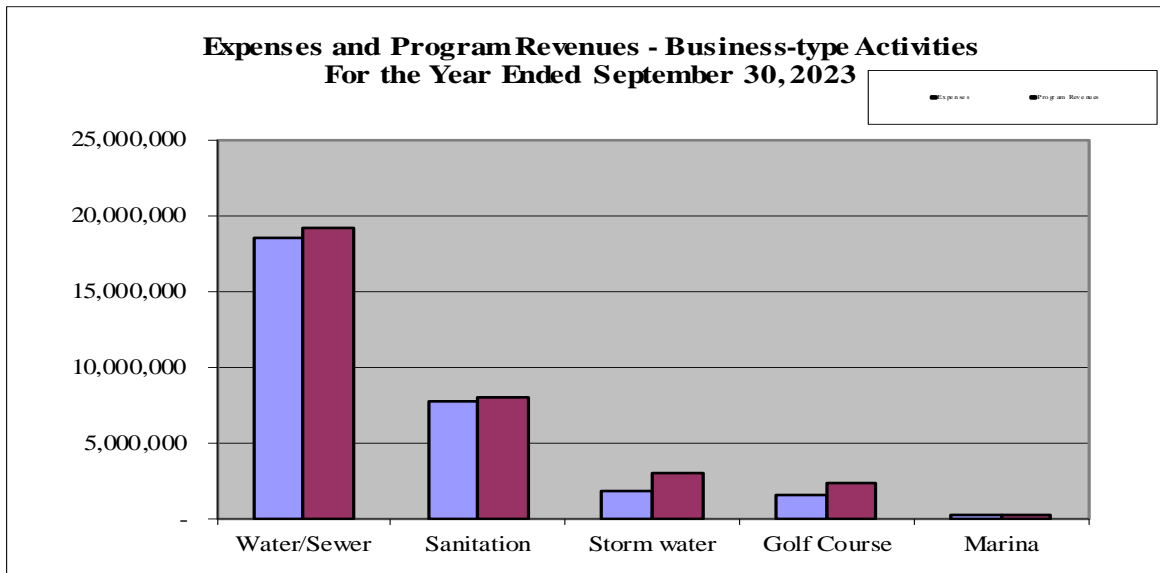
Business-type activities.

Business-type activities (enterprise funds) increased the City's net position by \$1,881,706, accounting for 2.2% 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 \$4,137,549 in comparison to the previous year. The major changes were:

<u>Revenue Type</u>	<u>Increase</u>	<u>Description</u>
Charges for Services:		
Sanitation Fees	988,681	25% Contractor Rate Increase
Recycling Fees	72,664	25% Contractor Rate Increase
Yard Waste Tipping Fees	148,500	Increase in Commercial Use
Water Sales	251,358	Consumption increase over 3%
Sewer Sales	284,362	Consumption increase over 3%
Interest Earnings	714,036	Rate of Return Increase
Stormwater Sales	133,712	Rate Increase 5%
Stormwater Settlement	1,050,000	Surety Settlement on Pent/Grosse Project
Golf Course Sales	\$ 314,110	Increase in use
Total	<u><u>\$ 3,957,423</u></u>	

Total Business-type activity expenses increased \$2,939,353 in comparison to the previous year. This increase is mostly due personnel and operating cost increases in the Water-Sewer, Sanitation and Stormwater Funds. Operating cost increases includes the approximately 25% increase with the new sanitation contract and a 205% increase in the cost for debris removal.



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 \$27,913,777, an increase of \$2,621,718 in comparison with the prior year. The majority of this total amount (\$8,717,784) 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 (\$9,313,895), 2) committed for sidewalks (\$1,740,528) and perpetual care of the

cemetery (\$785,666), and 3) assigned for compensated absences (\$1,310,388) 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 \$8,717,784, while total fund balance was \$14,847,007. 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 26% of total General Fund expenditures.

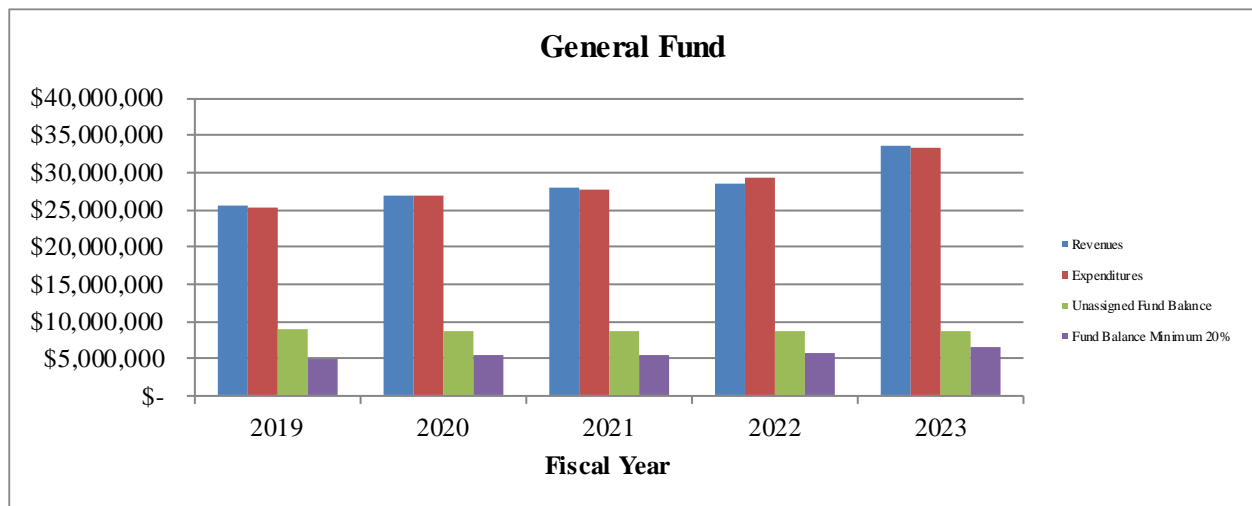
The fund balance of the City’s General Fund increased by \$463,458 during the current fiscal year, an increase in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In (2,096,946) and Debt Proceeds (\$1,254,538) totaled \$33,682,583, an increase of \$5,245,456 over the previous fiscal year. The major increases were:

<u>Revenue Type</u>	<u>Increase</u>	<u>Description</u>
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 1,506,166	Taxable Assessed Value increase of 13.96%
Interest Earnings	\$ 1,201,821	Increased Rate of Returns
Debt Proceeds	\$ 1,254,538	SBITA and Lease Proceeds
Utility Taxes	\$ 287,254	Electric Receipts Increase
Franchise Fees	\$ 346,955	Electric Receipts Increase
Total	\$ 4,596,734	

Expenditures totaled \$33,219,125, an increase of \$4,043,260 over the previous fiscal year. The major increases were for personnel increases related to salaries and benefits and the increase in the costs of operating supplies which included the SBITA and Lease expense of \$1,254,538. Capital Outlay increase of \$976,748 which included the Mausoleum Roof and improvements to various City Buildings.

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



Community Redevelopment Agency Fund.

The fund balance of the City’s Community Redevelopment Agency Fund increased by \$504,600 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$817,800 a decrease of \$25,262 under the previous fiscal year due to a combination of Lease Proceeds in FY 2022 in the amount of \$206,475 and property tax values increasing. Property Tax receipts (City portion) increased \$77,410 and Tax Increment Financing receipts (County portion) increased \$46,253.
- Expenditures were \$313,201, a decrease of \$197,161 under the previous fiscal year. The decrease is due to the Lease Expense of \$206,475 in FY 2022.

Grants Fund.

The fund balance of the City's Grants Fund increased by \$407,575 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$1,436,444 an increase of \$1,394,857 over the previous fiscal year due to a combination of American Rescue Plan Act (ARPA) recorded revenues increasing \$687,069 and ARPA interest earnings increase of \$605,296.
- Expenditures were \$1,028,869, an increase of \$841,157 over the previous fiscal year. The increase is due to ARPA related projects increase of \$785,950.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund increased by \$1,286,852 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$4,845,648 an increase of \$844,380 over the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$63,575 over the previous fiscal year. The City also received FDOT grant reimbursement in the amount of \$814,830 on the Tarpon Roadway Project.
- Expenditures were \$3,558,796, a decrease of \$97,828 under the previous fiscal year. The major Capital items were for, Police Vehicles, Tarpon Roadway Project, Roosevelt Seawall, Anclote River Dredging and Sport Complex Field Four.

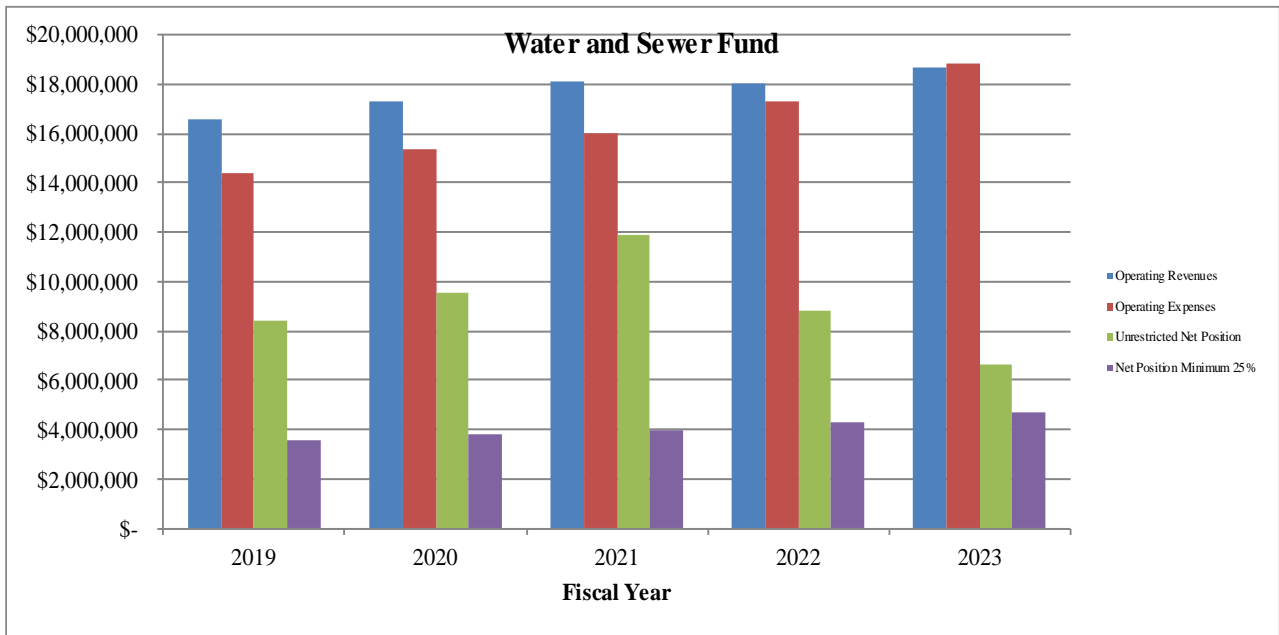
Proprietary Funds.

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 \$6,598,602, and total change in net position for the year was a negative \$129,501, an increase under the change noted in the previous fiscal year. This year operating revenues increased \$654,291, of this amount water sales increased \$251,358 or 2.48% and sewer sales increased \$284,362 or 4.20%. Water and sewer rates were unchanged for FY 2023. Water use billed increased 3.13% in comparison with the previous fiscal year. Operating expenses increased \$1,551,530 or 9.8%, the increase was incremental across all expenditure categories of personnel and operating.

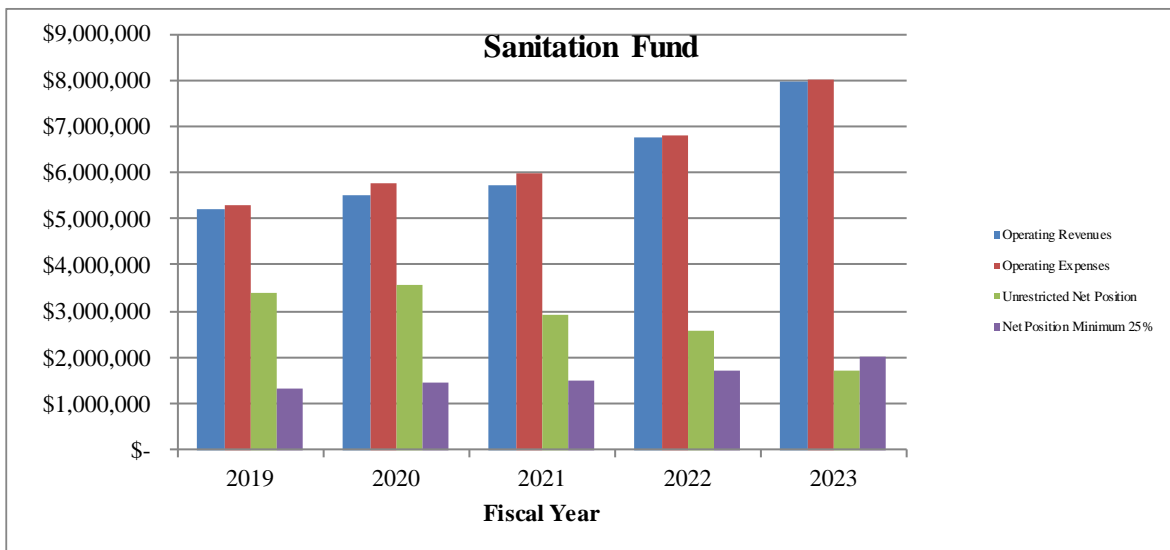
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$1,719,631, and total change in net position for the year was \$73,416, an increase under the change noted in the previous fiscal year. Fiscal Year 2021 was the last year of the previous five-year contract with the City’s garbage contractor. The new five-year contract was effective March 31, 2022. This year operating revenues increased \$1,201,778 (the first full year under the new contract), sanitation fees increased \$988,681 or 19.3%, recycling fees increased \$72,664 or 8.4% (approx. 25% overall rate increase with new contract) and Yard Waste Tipping Fees (not part of Refuse and Recycling contract) increased 148,500 or 30.6%. Operating expenses increased \$1,378,187 due to the increase with the new contract, refuse increased \$852,857, recycling increased \$64,958 and Yard Waste Tipping Fees/Debris Removal (a separate contract from Refuse and Recycling) increased \$400,342 over the previous year. 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. The Unrestricted Net Position is under the 25% minimum fund balance by \$278,557, FEMA reimbursements from Hurricane Ian and Idalia once received will offset this deficit along with the increase in the yard waste tipping fees.



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 \$2,323,126. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$396,870 for outstanding encumbrances from FY 2022 carried over to FY 2023.
- An increase of \$240,726 for outstanding donations from FY 2022 carried over to FY 2023.
- An increase of \$346,121 for Cemetery Capital Projects.
- An increase of \$217,537 for Hurricane Idalia expenditures.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$208,271. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$614,544 in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A negative variance of \$1,008,376 in Management Information Services due to the recording of the SBITA expenditure in the amount of \$1,131,812 in FY 2023.

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, 2023, amounts to \$157,650,149 (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, infrastructure and lease assets. The total increase in the City's investment in capital assets for the current fiscal year was 3.38% (\$5,148,457). Separately there was a 5.3% (\$2,915,079) increase for governmental activities and a 2.29% (\$2,233,378) increase for business-type activities.

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

Governmental activities – Anclote River Dredging, Tarpon Roadway, Cemetery Expansion, Fire and Police vehicles.

Business-type activities – Pent and Grosse Stormwater, Seabreeze Drive Sewer, Yard Waste Project and Scale House, Water Pipe Replacement, Manhole and Sewer Line Replacement and Rehabilitation of Lift Stations.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land and land rights	\$ 8,010,711	\$ 7,430,711	\$ 3,613,307	\$ 3,459,687	\$ 11,624,018	\$ 10,890,398
Buildings and improvements	7,541,278	8,256,707	1,228,272	1,311,012	8,769,550	9,567,719
Improvements other than buildings	14,731,850	14,612,719	81,758,941	81,851,460	96,490,791	96,464,179
Machinery and equipment	3,439,373	3,673,143	2,255,322	1,907,893	5,694,695	5,581,036
Infrastructure	17,768,028	17,605,347	-	-	17,768,028	17,605,347
Lease assets	797,640	819,872	63,605	127,209	861,245	947,081
SBITA assets	1,075,221	-	-	-	1,075,221	-
Total	53,364,101	52,398,499	88,919,447	88,657,261	142,283,548	141,055,760
Construction in progress	4,586,976	2,637,499	10,779,625	8,808,433	15,366,601	11,445,932
Total	\$ 57,951,077	\$ 55,035,998	\$ 99,699,072	\$ 97,465,694	\$ 157,650,149	\$ 152,501,692

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 55,035,998	\$ 97,465,694	\$ 152,501,692
Additions	5,479,697	5,478,307	10,958,004
Construction in progress	1,949,477	1,971,192	3,920,669
Net Retirements	(297)	-	(297)
Depreciation/amortization	(4,513,798)	(5,216,121)	(9,729,919)
Ending Balance	\$ 57,951,077	\$ 99,699,072	\$ 157,650,149

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$30,538,858 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$439,999 (1.42%), during the current fiscal year. Utility System Revenue Bonds, Series 2013A had a principal payment of \$1,025,000, financed purchase principal payments on the 2020 fire ladder truck in the amount of \$225,726 and 2021 fire truck in the amount of \$170,538. The City recorded a new lease for the City Clinic in the amount of \$122,726 and had total lease payments of \$200,414 on various property and equipment leases. The City recorded a Subscription-Based Information Technology Arrangement (SBITA) in the amount of \$1,131,812 and had SBITA payments of \$52,501.

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

Outstanding Debt at Year-End

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2023	2022	2023	2022	2023	2022
Financed Purchase	\$ 750,237	\$ 1,146,501	\$ -	\$ -	\$ 750,237	\$ 1,146,501
SBITA Liability	1,079,311	-	-	-	1,079,311	-
Lease Liability	813,586	827,690	65,596	129,180	879,182	\$ 956,870
Utility Revenue Bonds, Including Premium	-	-	27,830,128	28,875,486	27,830,128	28,875,486
Total	\$ 2,643,134	\$ 1,974,191	\$ 27,895,724	\$ 29,004,666	\$ 30,538,858	\$ 30,978,857

The City received a rating from Standard & Poor’s of AA-/Stable on February 14, 2013 on the Utility System Revenue Bonds, Series 2013A. On November 16, 2022 Standard & Poor’s Global Ratings affirmed its AA- long term rating on Tarpon Springs, Fla.’s series 2013A-1 and 2013A-2 utility system revenue bonds with a stable outlook.

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 2023. 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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,308,371	\$ 3,688,381	\$ 15,996,752
Investments	30,455,063	5,655,025	36,110,088
Receivables (net of allowance)	5,346,769	2,689,435	8,036,204
Due from other governments	1,114,463	-	1,114,463
Internal balances	(100,000)	100,000	-
Inventories	21,916	220,122	242,038
Prepaid items	24,135	7,502	31,637
Restricted assets:			
Cash and cash equivalents	-	3,287,648	3,287,648
Investments	-	6,314,707	6,314,707
Receivables	-	20,675	20,675
Capital Assets:			
Land and land rights	8,010,711	3,613,307	11,624,018
Buildings and improvements	25,275,354	2,214,958	27,490,312
Improvements other than buildings	27,488,047	144,533,224	172,021,271
Machinery and equipment	14,658,872	9,421,038	24,079,910
Infrastructure	51,888,797	-	51,888,797
Construction in progress	4,586,976	10,779,625	15,366,601
Accumulated depreciation	(75,830,541)	(70,926,685)	(146,757,226)
Right To Use Lease Assets:			
Lease assets	1,034,603	190,813	1,225,416
Accumulated amortization lease assets	(236,963)	(127,208)	(364,171)
Subscription Based IT Arrangements:			
SBITA assets	1,131,812	-	1,131,812
Accumulated amortization SBITA assets	(56,591)	-	(56,591)
Total Assets	<u>107,121,794</u>	<u>121,682,567</u>	<u>228,804,361</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	669,262	78,382	747,644
Deferred outflows of resources related to pension plans.	5,581,456	-	5,581,456
Total Deferred Outflows of Resources	<u>6,250,718</u>	<u>78,382</u>	<u>6,329,100</u>
LIABILITIES			
Accounts payable	1,797,208	1,695,532	3,492,740
Accrued liabilities	216,972	53,909	270,881
Contracts payable	11,479	922,344	933,823
Deposits	19,343	-	19,343
Unearned revenue	14,079,368	927,177	15,006,545
Payable from restricted assets:			
Accounts payable	-	91,049	91,049
Contracts payable	-	14,852	14,852
Customer deposits	-	1,995,149	1,995,149
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	1,060,000	1,060,000
Financed purchase payable	402,134	-	402,134
SBITA liability	214,142	-	214,142
Leases liability	141,020	65,596	206,616
Compensated absences	81,541	19,186	100,727
Claims payable	17,454	-	17,454
Due In More Than One Year:			
Bonds payable	-	26,770,128	26,770,128
Financed purchase payable	348,103	-	348,103
Total OPEB liability	2,146,312	251,377	2,397,689
SBITA liability	865,169	-	865,169
Lease liability	672,566	-	672,566
Compensated absences	1,691,484	392,309	2,083,793
Net pension liability	14,082,944	-	14,082,944
Claims payable	340,181	-	340,181
Total Liabilities	<u>37,127,420</u>	<u>34,258,608</u>	<u>71,386,028</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	1,145,804	134,198	1,280,002
Deferred inflows of resources related to Leases	4,262,701	-	4,262,701
Deferred inflows of resources related to pension plans	46,913	-	46,913
Total Deferred Inflows of Resources	<u>5,455,418</u>	<u>134,198</u>	<u>5,589,616</u>
NET POSITION			
Net investment in capital assets	54,458,119	70,544,832	125,002,951
Restricted for :			
Capital projects - optional sales tax	7,176,480	-	7,176,480
Capital projects - impact fee programs	1,515,322	3,794,471	5,309,793
Transportation	622,093	-	622,093
CRA	1,153,180	-	1,153,180
Law enforcement programs	223,380	-	223,380
Grant and special programs	554,107	-	554,107
Other contractual obligations	518,509	-	518,509
Bond reserve	-	2,045,894	2,045,894
Bond renewal and replacement	-	907,694	907,694
Unrestricted	4,568,482	10,075,252	14,643,734
Total Net Position	<u>\$ 70,789,672</u>	<u>\$ 87,368,143</u>	<u>\$ 158,157,815</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Function/Program Activities							
Primary Government:							
Governmental Activities:							
General government	\$ 5,868,292	\$ 522,474	\$ -	\$ 862,216	\$ (4,483,602)	\$ -	\$ (4,483,602)
Public safety	21,787,936	3,592,451	237,522	132,590	(17,825,373)	-	(17,825,373)
Physical environment	1,851,130	245,397	36,852	-	(1,568,881)	-	(1,568,881)
Transportation	2,783,840	-	132,869	973,376	(1,677,595)	-	(1,677,595)
Economic environment	706,423	-	14,873	-	(691,550)	-	(691,550)
Culture/recreation	5,309,190	402,111	552,319	81,554	(4,273,206)	-	(4,273,206)
Interest on long-term debt	89,084	-	-	-	(89,084)	-	(89,084)
Total governmental activities	<u>38,395,895</u>	<u>4,762,433</u>	<u>974,435</u>	<u>2,049,736</u>	<u>(30,609,291)</u>	<u>-</u>	<u>(30,609,291)</u>
Business-Type Activities:							
Water/Sewer	18,423,572	18,693,708	79,293	333,263	-	682,692	682,692
Sanitation	7,696,310	7,961,666	18,452	-	-	283,808	283,808
Storm Water	1,726,722	3,019,923	1,493	-	-	1,294,694	1,294,694
Golf Course	1,517,899	2,289,838	-	-	-	771,939	771,939
Marina	135,133	133,867	-	-	-	(1,266)	(1,266)
Total business-type activities	<u>29,499,636</u>	<u>32,099,002</u>	<u>99,238</u>	<u>333,263</u>	<u>-</u>	<u>3,031,867</u>	<u>3,031,867</u>
Total primary government	<u>\$ 67,895,531</u>	<u>\$ 36,861,435</u>	<u>\$ 1,073,673</u>	<u>\$ 2,382,999</u>	<u>(30,609,291)</u>	<u>3,031,867</u>	<u>(27,577,424)</u>
General Revenues:							
Taxes:							
Property taxes					12,888,797	-	12,888,797
Property taxes -Tax Increment							
Financing (TIF) - County portion					357,509	-	357,509
Utility taxes					3,950,606	-	3,950,606
Communication service taxes					971,830	-	971,830
Half-cent sales tax					2,141,230	-	2,141,230
Local option gas tax					327,212	-	327,212
Local option sales tax					3,699,497	-	3,699,497
Local business tax					122,267	-	122,267
Other taxes					67,406	-	67,406
Franchise fees					2,473,730	-	2,473,730
State revenue sharing					1,264,001	-	1,264,001
Investment income					1,953,838	746,785	2,700,623
Miscellaneous					357,267	-	357,267
Transfers					1,896,946	(1,896,946)	-
Total General Revenues					<u>32,472,136</u>	<u>(1,150,161)</u>	<u>31,321,975</u>
Change in Net Position					1,862,845	1,881,706	3,744,551
Net Position - Beginning					68,926,827	85,486,437	154,413,264
Net Position - Ending					<u>\$ 70,789,672</u>	<u>\$ 87,368,143</u>	<u>\$ 158,157,815</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, 2023

	General Fund	Community Redevelopment		Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
		Agency Downtown	Grants			
ASSETS						
Cash and cash equivalents	\$ 1,251,505	\$ 749,949	\$ 3,514,760	\$ 3,171,451	\$ 3,170,014	\$ 11,857,679
Investments	16,537,897	494,160	7,884,405	3,648,188	1,422,557	29,987,207
Accrued interest receivable	53,742	10,625	72,173	22,393	921	159,854
Accounts receivable - net of allowance for doubtful accounts	83,828	-	-	-	-	83,828
Lease receivable	4,415,338	-	-	-	-	4,415,338
Taxes receivable	687,500	-	-	-	-	687,500
Due from other governments	361,703	-	19,726	704,906	28,128	1,114,463
Prepaid items	24,135	-	-	-	-	24,135
Total Assets	\$ 23,415,648	\$ 1,254,734	\$ 11,491,064	\$ 7,546,938	\$ 4,621,620	\$ 48,330,004
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 891,992	\$ 762	\$ 227,893	\$ 343,127	\$ 274,176	\$ 1,737,950
Accrued liabilities	203,010	792	1,584	-	-	205,386
Contracts payable	-	-	-	10,563	916	11,479
Deposits	19,343	-	-	-	-	19,343
Advance from other fund	-	100,000	-	-	-	100,000
Unearned revenue	3,191,595	-	10,870,084	-	-	14,061,679
Total Liabilities	4,305,940	101,554	11,099,561	353,690	275,092	16,135,837
Deferred Inflows of Resources:						
Unavailable revenue	-	-	-	16,768	921	17,689
Leases	4,262,701	-	-	-	-	4,262,701
Total Deferred Inflows of Resources	4,262,701	-	-	16,768	921	4,280,390
Fund Balances (deficit):						
Nonspendable	176,772	-	-	-	-	176,772
Restricted	319,821	1,153,180	391,503	7,176,480	2,523,399	11,564,383
Committed	1,392,428	-	-	-	1,822,208	3,214,636
Assigned	4,240,202	-	-	-	-	4,240,202
Unassigned	8,717,784	-	-	-	-	8,717,784
Total Fund Balances	14,847,007	1,153,180	391,503	7,176,480	4,345,607	27,913,777
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,415,648	\$ 1,254,734	\$ 11,491,064	\$ 7,546,938	\$ 4,621,620	\$ 48,330,004

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, 2023

Fund balances - total governmental funds \$ 27,913,777

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	\$ 130,896,352	
Less accumulated depreciation	<u>(75,311,883)</u>	55,584,469

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

Governmental lease assets	1,034,603	
Less accumulated amortization	<u>(236,963)</u>	797,640

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

Governmental SBITA assets	1,131,812	
Less accumulated amortization	<u>(56,591)</u>	1,075,221

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.	5,581,456	
Deferred outflows of resources related to opeb.	<u>666,862</u>	6,248,318

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

Financed purchases payable	(750,237)	
Compensated absences	(1,747,184)	
Lease liability	(813,586)	
SBITA liability	(1,079,311)	
Accrued interest on long-term liabilities	<u>(8,366)</u>	(4,398,684)

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	(14,082,944)	
Deferred inflows of resources related to opeb	(1,141,700)	
Other postemployment benefits	(2,138,622)	
Deferred inflows of resources related to pension plans	<u>(46,913)</u>	(17,410,179)

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.

979,110

Net position of governmental activities. \$ 70,789,672

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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 17,535,353	\$ 398,147	\$ -	\$ 3,699,497	\$ 327,212	\$ 21,960,209
Permits and fees	3,151,576	-	-	-	282,458	3,434,034
Intergovernmental	4,103,909	357,509	947,063	920,345	80,033	6,408,859
Charges for services	3,641,712	-	-	4,406	-	3,646,118
Fines and forfeitures	67,581	-	-	-	7,989	75,570
Other	1,830,968	62,144	489,381	221,400	197,121	2,801,014
Total Revenues	<u>30,331,099</u>	<u>817,800</u>	<u>1,436,444</u>	<u>4,845,648</u>	<u>894,813</u>	<u>38,325,804</u>
Expenditures:						
Current:						
General Government:						
Board of commissioners	138,211	-	-	-	-	138,211
City manager	347,985	-	-	-	-	347,985
Financial administration	563,864	-	-	-	-	563,864
Human resources	342,466	-	-	-	-	342,466
Purchasing	209,588	-	-	-	-	209,588
Management information services	2,094,213	-	-	-	-	2,094,213
City attorney	451,650	-	-	-	-	451,650
Planning	662,659	-	-	-	-	662,659
City clerk	480,885	-	-	-	-	480,885
Projection administration	85,015	-	-	-	-	85,015
Non-departmental	1,041,255	-	-	-	-	1,041,255
	<u>6,417,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,417,791</u>
Public Safety:						
Police	9,888,547	-	9,211	-	71,620	9,969,378
Fire/ems/emergency management	6,464,209	-	71,170	-	-	6,535,379
Protective inspections	1,142,054	-	-	-	-	1,142,054
	<u>17,494,810</u>	<u>-</u>	<u>80,381</u>	<u>-</u>	<u>71,620</u>	<u>17,646,811</u>
Physical Environment:						
City buildings/grounds	1,110,588	-	-	-	-	1,110,588
Cemetery	446,460	-	-	-	-	446,460
Other	97,237	-	-	-	-	97,237
	<u>1,654,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,654,285</u>
Transportation:						
Other	1,427,562	-	-	-	-	1,427,562
	<u>1,427,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,427,562</u>
Economic Environment:						
Economic development	136,559	245,030	93,518	-	-	475,107
	<u>136,559</u>	<u>245,030</u>	<u>93,518</u>	<u>-</u>	<u>-</u>	<u>475,107</u>
Culture and Recreation:						
Library	1,464,688	-	-	-	-	1,464,688
Parks and recreation	2,382,825	-	-	-	-	2,382,825
Cultural	803,531	-	-	-	-	803,531
Other	-	-	-	-	10,980	10,980
	<u>4,651,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,980</u>	<u>4,662,024</u>
Capital Outlay	1,249,077	31,263	854,970	3,112,937	652,980	5,901,227
Debt Service	187,997	36,907	-	445,859	-	670,763
Total Expenditures	<u>33,219,125</u>	<u>313,200</u>	<u>1,028,869</u>	<u>3,558,796</u>	<u>735,580</u>	<u>38,855,570</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,888,026)</u>	<u>504,600</u>	<u>407,575</u>	<u>1,286,852</u>	<u>159,233</u>	<u>(529,766)</u>
Other Financing Sources (Uses):						
Issuance of debt	1,254,538	-	-	-	-	1,254,538
Transfers in	2,096,946	-	-	-	250,000	2,346,946
Transfers out	-	-	-	-	(450,000)	(450,000)
Total Other Financing Sources (Uses)	<u>3,351,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>3,151,484</u>
Net Change in Fund Balances	463,458	504,600	407,575	1,286,852	(40,767)	2,621,718
Fund Balances - Beginning of Year	14,383,549	648,580	(16,072)	5,889,628	4,386,374	25,292,059
Fund Balances - End of Year	<u>\$ 14,847,007</u>	<u>\$ 1,153,180</u>	<u>\$ 391,503</u>	<u>\$ 7,176,480</u>	<u>\$ 4,345,607</u>	<u>\$ 27,913,777</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, 2023**

Net change in fund balances - total governmental funds		\$ 2,621,718
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 5,901,227	
Less current year depreciation	<u>(4,269,785)</u>	1,631,442
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.		
		(297)
Loan proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the statement of net assets. In the current year these amounts are:		
SBITA proceeds	(1,131,812)	
Lease proceeds	<u>(122,726)</u>	(1,254,538)
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:		
Financed purchase principal payments	396,264	
SBITA principal payments	52,501	
Lease principal payments	<u>136,830</u>	585,595
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	(3,916)	
Current year change in compensated absences	(148,516)	
Lease and SBITA amortization	(201,550)	
Lease acquisition	122,726	
SBITA acquisition	1,131,812	
Net pension liability	1,077,194	
Current year change in the liability for other postemployment benefits	35,950	
Deferred outflows of resources related to pension plans.	(4,021,845)	
Deferred outflows of resources related to opeb.	(174,589)	
Deferred inflows of resources related to opeb	195,211	
Deferred inflows of resources related to pension plans	<u>202,657</u>	(1,784,866)
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>63,791</u>
Change in net position of governmental activities.		\$ <u><u>1,862,845</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 17,008,854	\$ 17,008,854	\$ 17,535,353	\$ 526,499
Permits and fees	2,681,575	2,769,402	3,151,576	382,174
Intergovernmental	3,702,592	4,301,998	4,103,909	(198,089)
Charges for services	3,355,577	3,416,630	3,641,712	225,082
Fines and forfeitures	182,076	182,076	67,581	(114,495)
Other	1,005,941	1,240,658	1,830,968	590,310
Total Revenues	<u>27,936,615</u>	<u>28,919,618</u>	<u>30,331,099</u>	<u>1,411,481</u>
Expenditures:				
Current:				
General Government:				
Board of commissioners	152,349	152,349	138,211	14,138
City manager	351,373	355,637	347,985	7,652
Financial administration	604,076	570,928	563,864	7,064
Human resources	329,539	350,721	342,466	8,255
Purchasing	227,930	227,930	209,588	18,342
Management information services	1,035,812	1,085,837	2,094,213	(1,008,376)
City attorney	226,000	402,561	451,650	(49,089)
Planning	842,020	785,960	662,659	123,301
City clerk	425,283	481,303	480,885	418
Project administration	133,685	133,685	85,015	48,670
Non-departmental	1,620,917	1,145,842	1,041,255	104,587
	<u>5,948,984</u>	<u>5,692,753</u>	<u>6,417,791</u>	<u>(725,038)</u>
Public Safety:				
Police	9,884,177	9,949,456	9,888,547	60,909
Fire/ems/emergency management	6,144,842	6,468,790	6,464,209	4,581
Protective inspections	1,155,906	1,174,856	1,142,054	32,802
	<u>17,184,925</u>	<u>17,593,102</u>	<u>17,494,810</u>	<u>98,292</u>
Physical Environment:				
City buildings/grounds	968,234	1,120,207	1,110,588	9,619
Cemetery	442,616	459,196	446,460	12,736
Tree bank	32,500	221,383	97,237	124,146
	<u>1,443,350</u>	<u>1,800,786</u>	<u>1,654,285</u>	<u>146,501</u>
Transportation:				
Roads and streets	1,270,697	1,429,579	1,427,562	2,017
Economic Environment:				
Economic development	137,787	137,787	136,559	1,228
Culture and Recreation:				
Library	1,527,790	1,592,941	1,464,688	128,253
Parks and recreation	2,386,360	2,393,336	2,382,825	10,511
Cultural	812,668	923,491	803,531	119,960
	<u>4,726,818</u>	<u>4,909,768</u>	<u>4,651,044</u>	<u>258,724</u>
Capital Outlay	391,709	1,863,621	1,249,077	614,544
Debt Service	-	-	187,997	(187,997)
Total Expenditures	<u>31,104,270</u>	<u>33,427,396</u>	<u>33,219,125</u>	<u>208,271</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,167,655)</u>	<u>(4,507,778)</u>	<u>(2,888,026)</u>	<u>1,619,752</u>
Other Financing Sources:				
Issuance of debt	-	-	1,254,538	1,254,538
Transfers in	2,446,946	2,446,946	2,096,946	(350,000)
Total Other Financing Sources	<u>2,446,946</u>	<u>2,446,946</u>	<u>3,351,484</u>	<u>904,538</u>
Net Change in Fund Balances	<u>(720,709)</u>	<u>(2,060,832)</u>	<u>463,458</u>	<u>2,524,290</u>
Fund Balances - Beginning of Year	<u>14,383,549</u>	<u>14,383,549</u>	<u>14,383,549</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 13,662,840</u>	<u>\$ 12,322,717</u>	<u>\$ 14,847,007</u>	<u>\$ 2,524,290</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
COMMUNITY REDEVELOPMENT AGENCY FUND - DOWNTOWN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 398,205	\$ 398,205	\$ 398,147	\$ (58)
Intergovernmental	386,528	386,528	357,509	(29,019)
Other	1,000	1,000	62,144	61,144
Total Revenues	<u>785,733</u>	<u>785,733</u>	<u>817,800</u>	<u>32,067</u>
Expenditures:				
Current:				
Economic Environment:				
Other	310,146	310,146	245,030	65,116
Capital Outlay	475,587	865,587	31,263	834,324
Debt Service	-	-	36,907	(36,907)
Total Expenditures	<u>785,733</u>	<u>1,175,733</u>	<u>313,200</u>	<u>862,533</u>
Net Change in Fund Balances	-	(390,000)	504,600	894,600
Fund Balances - Beginning of Year	<u>648,580</u>	<u>648,580</u>	<u>648,580</u>	-
Fund Balances - End of Year	<u>\$ 648,580</u>	<u>\$ 258,580</u>	<u>\$ 1,153,180</u>	<u>\$ 894,600</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
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,001,907	\$ 10,375,748	\$ 947,063	\$ (9,428,685)
Other	148,093	148,093	489,381	341,288
Total Revenues	<u>3,150,000</u>	<u>10,523,841</u>	<u>1,436,444</u>	<u>(9,087,397)</u>
Expenditures:				
Current:				
General Government:				
Other	-	1,000,000	-	1,000,000
Public Safety:				
Police		9,211	9,211	
Fire	-	72,000	71,170	830
Economic Environment:				
Other	-	106,830	93,518	13,312
Capital Outlay	<u>3,150,000</u>	<u>8,502,991</u>	<u>854,970</u>	<u>7,648,021</u>
Total Expenditures	<u>3,150,000</u>	<u>9,691,032</u>	<u>1,028,869</u>	<u>8,662,163</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>832,809</u>	<u>407,575</u>	<u>(425,234)</u>
Other Financing Uses:				
Transfers out	-	(1,000,000)	-	1,000,000
Total Other Financing Uses	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Net Change in Fund Balances	-	(167,191)	407,575	574,766
Fund Balances - Beginning of Year	<u>(16,072)</u>	<u>(16,072)</u>	<u>(16,072)</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (16,072)</u>	<u>\$ (183,263)</u>	<u>\$ 391,503</u>	<u>\$ 574,766</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, 2023

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds			Total	
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 765,219	\$ 1,178,176	\$ 1,744,986	\$ 3,688,381	\$ 450,692
Investments	1,163,406	4,491,619	-	5,655,025	467,856
Receivables:					
Interest	11,545	75,166	-	86,711	249
Accounts - billed (net)	449,471	1,159,346	135,322	1,744,139	-
Accounts - unbilled	227,333	560,953	70,299	858,585	-
Due from other governments	-	-	-	-	-
Advance to other fund	100,000	-	-	100,000	-
Inventories	-	193,279	26,843	220,122	21,916
Prepaid items	-	5,002	2,500	7,502	-
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	181,750	331,450	-	513,200	-
Customer deposits-investments	492,299	984,599	-	1,476,898	-
Total Current Assets	3,391,023	8,979,590	1,979,950	14,350,563	940,713
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	1,832,548	-	1,832,548	-
Reserve fund	-	29,001	-	29,001	-
Renewal and replacement fund	-	12,890	-	12,890	-
ARPA fund	-	899,380	-	899,380	-
Construction fund	-	629	-	629	-
Investments:					
Impact fees	-	1,926,112	-	1,926,112	-
Reserve fund	-	2,016,893	-	2,016,893	-
Renewal and replacement fund	-	894,804	-	894,804	-
Receivables:					
Accrued interest	-	20,413	-	20,413	-
Accounts receivable - billed (net)	-	262	-	262	-
Capital Assets:					
Land and land rights	421,435	2,566,730	625,142	3,613,307	-
Buildings and improvements	101,713	1,602,520	510,725	2,214,958	44,756
Improvements other than buildings	1,867,709	134,862,935	7,802,580	144,533,224	814,814
Machinery and equipment	1,298,851	5,921,907	2,200,280	9,421,038	152,835
Accumulated depreciation	(1,043,992)	(64,554,929)	(5,327,764)	(70,926,685)	(518,658)
Construction in progress	90,197	8,816,185	1,873,243	10,779,625	-
Right to use Lease Assets:					
Lease asset	-	-	190,813	190,813	-
Lease accumulated amortization	-	-	(127,208)	(127,208)	-
Total Non-Current Assets	2,735,913	96,848,280	7,747,811	107,332,004	493,747
Total Assets	6,126,936	105,827,870	9,727,761	121,682,567	1,434,460
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	5,954	65,213	7,215	78,382	2,399
Total Deferred Outflows of Resources	5,954	65,213	7,215	78,382	2,399
LIABILITIES					
Current Liabilities:					
Accounts payable	314,577	1,277,362	103,593	1,695,532	59,258
Accrued liabilities	4,051	40,505	9,353	53,909	3,220
Contracts payable	673,251	249,093	-	922,344	-
Bonds payable	-	1,060,000	-	1,060,000	-
Claims payable	-	-	-	-	17,454
Lease liability	-	-	65,596	65,596	-
Compensated absences	2,556	14,569	2,061	19,186	2,141
Unearned revenue	-	904,925	22,252	927,177	-
Current Liabilities (payable from restricted assets):					
Accounts payable	-	91,049	-	91,049	-
Contracts payable	-	14,852	-	14,852	-
Customer deposits	674,049	1,316,049	5,051	1,995,149	-
Total Current Liabilities	1,668,484	4,968,404	207,906	6,844,794	82,073
Non-Current Liabilities:					
Bonds payable	-	26,770,128	-	26,770,128	-
Claims payable	-	-	-	-	340,181
Total OPEB liability	19,098	209,141	23,138	251,377	7,690
Compensated absences	7,208	305,332	79,769	392,309	23,700
Total Non-Current Liabilities	26,306	27,284,601	102,907	27,413,814	371,571
Total Liabilities	1,694,790	32,253,005	310,813	34,258,608	453,644
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to OPEB.	10,195	111,650	12,353	134,198	4,105
Total Deferred Inflows of Resources	10,195	111,650	12,353	134,198	4,105
NET POSITION					
Net investment in capital assets	2,708,274	60,181,767	7,654,791	70,544,832	477,714
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	-	3,794,471	-	3,794,471	-
Unrestricted	1,719,631	6,598,602	1,757,019	10,075,252	501,396
Total Net Position	\$ 4,427,905	\$ 73,528,428	\$ 9,411,810	\$ 87,368,143	\$ 979,110

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, 2023

	Business-type Activities Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Operating Revenues:					
Charges for services	\$ 7,961,037	\$ 18,469,225	\$ 4,385,947	\$ 30,816,209	\$ 2,397,593
Other	629	224,483	7,681	232,793	6,000
Total Operating Revenues	<u>7,961,666</u>	<u>18,693,708</u>	<u>4,393,628</u>	<u>31,049,002</u>	<u>2,403,593</u>
Operating Expenses:					
Personnel services	627,673	6,362,036	1,277,800	8,267,509	448,716
Contractual services	6,751,871	1,363,232	892,222	9,007,325	66,904
Supplies	78,595	1,873,768	351,349	2,303,712	423,237
Repairs and maintenance	114,220	1,283,600	314,977	1,712,797	473,502
Utilities	9,948	1,840,751	95,040	1,945,739	1,050
Claims	-	-	-	-	160,005
Insurance	-	-	-	-	759,914
Lease amortization	-	-	63,604	63,604	-
Depreciation	108,259	4,662,281	381,977	5,152,517	42,464
Total Operating Expenses	<u>7,690,566</u>	<u>17,385,668</u>	<u>3,376,969</u>	<u>28,453,203</u>	<u>2,375,792</u>
Operating Income	<u>271,100</u>	<u>1,308,040</u>	<u>1,016,659</u>	<u>2,595,799</u>	<u>27,801</u>
Non-Operating Revenues (Expenses):					
Investment income	63,001	390,719	29,063	482,783	22,603
Net change in fair value of investments	28,791	214,853	-	243,644	13,387
Intergovernmental grants	18,452	79,293	1,493	99,238	-
Interest expense	(3,558)	(1,023,372)	(2,953)	(1,029,883)	-
Amortization of bond premium	-	20,358	-	20,358	-
Other revenue	-	-	1,050,000	1,050,000	-
Other expense	(2,186)	(14,532)	168	(16,550)	-
Total Non-Operating Revenues (Expenses)	<u>104,500</u>	<u>(332,681)</u>	<u>1,077,771</u>	<u>849,590</u>	<u>35,990</u>
Income before Contributions and Transfers	<u>375,600</u>	<u>975,359</u>	<u>2,094,430</u>	<u>3,445,389</u>	<u>63,791</u>
Capital grants and contributions	-	333,263	-	333,263	-
Transfers out	(302,184)	(1,438,123)	(156,639)	(1,896,946)	-
Total Capital Grants, Contributions and Transfers Out	<u>(302,184)</u>	<u>(1,104,860)</u>	<u>(156,639)</u>	<u>(1,563,683)</u>	<u>-</u>
Change in Net Position	73,416	(129,501)	1,937,791	1,881,706	63,791
Net Position - Beginning of Year	<u>4,354,489</u>	<u>73,657,929</u>	<u>7,474,019</u>	<u>85,486,437</u>	<u>915,319</u>
Net Position - End of Year	<u>\$ 4,427,905</u>	<u>\$ 73,528,428</u>	<u>\$ 9,411,810</u>	<u>\$ 87,368,143</u>	<u>\$ 979,110</u>

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, 2023

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds			Total	
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 7,879,054	\$ 18,596,811	\$ 4,379,589	\$ 30,855,454	\$ -
Cash payments to suppliers	(6,623,858)	(5,754,077)	(1,818,922)	(14,196,857)	(1,898,181)
Cash payments to employees	(628,110)	(6,325,630)	(1,269,276)	(8,223,016)	(437,746)
Cash received from other funds	-	-	-	-	2,404,439
Other revenue			1,050,000	1,050,000	-
Other expense	(2,186)	(14,532)	168	(16,550)	-
Net cash provided by operating activities	<u>624,900</u>	<u>6,502,572</u>	<u>2,341,559</u>	<u>9,469,031</u>	<u>68,512</u>
Cash flows from noncapital financing activities:					
Transfers out	(302,184)	(1,438,123)	(156,639)	(1,896,946)	-
Intergovernmental grants	18,452	79,293	1,493	99,238	-
Interest paid	(3,558)	(7,259)	(2,953)	(13,770)	-
Advance to other fund	213,541	-	-	213,541	-
Advance from other fund	-	-	(40,392)	(40,392)	-
Payment of cash on loans to/from other funds	-	-	(387,784)	(387,784)	-
Net cash used by noncapital financing activities	<u>(73,749)</u>	<u>(1,366,089)</u>	<u>(586,275)</u>	<u>(2,026,113)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(1,025,000)	-	(1,025,000)	-
Principal payments on lease	-	-	(63,584)	(63,584)	-
Interest payments on debt	-	(1,016,113)	-	(1,016,113)	-
Acquisition and construction of capital assets	(1,043,693)	(6,055,406)	(350,400)	(7,449,499)	(273,408)
Contributed capital - impact fees	-	333,263	-	333,263	-
Net cash used for capital and related financing activities	<u>(1,043,693)</u>	<u>(7,763,256)</u>	<u>(413,984)</u>	<u>(9,220,933)</u>	<u>(273,408)</u>
Cash flows from investing activities:					
Interest on investments	63,001	390,719	29,063	482,783	22,603
Proceeds of investment sales & maturities	791,542	6,257,649	-	7,049,191	-
Purchase of investments	(158,011)	(2,442,930)	-	(2,600,941)	-
Net cash provided by investing activities	<u>696,532</u>	<u>4,205,438</u>	<u>29,063</u>	<u>4,931,033</u>	<u>22,603</u>
Net increase (decrease) in cash and cash equivalents	203,990	1,578,665	1,370,363	3,153,018	(182,293)
Cash and cash equivalents at beginning of year	<u>742,979</u>	<u>2,705,409</u>	<u>374,623</u>	<u>3,823,011</u>	<u>632,985</u>
Cash and cash equivalents at end of year	<u>\$ 946,969</u>	<u>\$ 4,284,074</u>	<u>\$ 1,744,986</u>	<u>\$ 6,976,029</u>	<u>\$ 450,692</u>
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 765,219	\$ 1,178,176	\$ 1,744,986	\$ 3,688,381	\$ 450,692
Restricted cash and cash equivalents - current:					
Customer deposits	181,750	331,450	-	513,200	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	1,832,548	-	1,832,548	-
Reserve fund	-	29,001	-	29,001	-
Renewal and replacement fund	-	12,890	-	12,890	-
ARPA fund	-	899,380	-	899,380	-
Construction fund	-	629	-	629	-
	<u>\$ 946,969</u>	<u>\$ 4,284,074</u>	<u>\$ 1,744,986</u>	<u>\$ 6,976,029</u>	<u>\$ 450,692</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, 2023

	Business-type Activities			Total	Governmental Activities - Internal Service Funds
	Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income	\$ 271,100	\$ 1,308,040	\$ 1,016,659	\$ 2,595,799	\$ 27,801
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Other revenue	-	-	1,050,000	1,050,000	-
Other expense	(2,186)	(14,532)	168	(16,550)	-
Depreciation expense	108,259	4,662,281	381,977	5,152,517	42,464
Amortization expense	-	-	63,604	63,604	-
Change in assets and liabilities:					
Increase in accounts receivable - interest	(978)	(31,826)	-	(32,804)	-
Increase in accounts receivable - billed (net)	(77,044)	(115,759)	(14,443)	(207,246)	-
(Increase) decrease in unbilled accounts receivable	(5,388)	7,890	(2,953)	(451)	-
Decrease in due from other governments	798	9,548	-	10,346	846
(Increase) decrease in inventories	-	15,253	(2,723)	12,530	(3,085)
Decrease in prepaid items	-	10,802	-	10,802	-
(Increase) decrease in deferred outflow-OPEB	1,448	(16,192)	3,419	(11,325)	1
Increase (decrease) in accounts and contracts payable	303,046	562,810	(163,400)	702,456	(22,419)
Decrease in accrued liabilities	(1,900)	(28,225)	(1,958)	(32,083)	(1,422)
Increase in claims payable	-	-	-	-	11,935
Increase in unearned revenue	-	-	3,357	3,357	-
Increase in customer deposits	27,730	18,409	789	46,928	-
Increase (decrease) in total OPEB liability	(34)	82,454	(4,344)	78,076	1,489
Increase (decrease) in compensated absences	1,616	(1,631)	15,950	15,935	10,610
Increase (decrease) in deferred inflows of resources-OPEB	(1,567)	33,250	(4,543)	27,140	292
Total adjustments	<u>353,800</u>	<u>5,194,532</u>	<u>1,324,900</u>	<u>6,873,232</u>	<u>40,711</u>
Net cash provided by operating activities	<u>\$ 624,900</u>	<u>\$ 6,502,572</u>	<u>\$ 2,341,559</u>	<u>\$ 9,469,031</u>	<u>\$ 68,512</u>

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

Assets	Employee Retirement Funds
Cash and cash equivalents	\$ 298,329
Money market	1,001,500
Accounts receivable	3,628
Interest receivable	122,865
Prepaid benefits	2,000
Investments, at fair value:	
U.S. Government Securities	13,009,732
Municipals	270,759
Equities Common Stock	26,177,221
Mutual Funds	30,964,981
Corporate Bonds	2,901,218
Real Estate	3,518,152
Total Investments	<u>76,842,063</u>
 Total Assets	 <u>78,270,385</u>
Liabilities	
Accounts payable	<u>49,387</u>
Total Liabilities	<u>49,387</u>
Net Position	
Restricted for Pension Benefits	<u><u>\$ 78,220,998</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, 2023

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	\$ 2,358,310
Plan members	618,921
State of Florida	647,323
Total Contributions	<u>3,624,554</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	6,124,501
Interest	1,282,946
Dividends	906,099
	<u>8,313,546</u>
Less Investment Expenses:	
Investment management fees	230,868
	<u>230,868</u>
Net Investment Income	<u>8,082,678</u>
Total Additions	<u>11,707,232</u>
Deductions:	
Benefits	4,066,343
Lump sum DROP distributions	1,186,821
Refunds of contributions	67,163
Administrative expense	195,715
Total Deductions	<u>5,516,042</u>
Change in Net Position	6,191,190
Net Position - Beginning of Year	<u>72,029,808</u>
Net Position - End of Year	<u>\$ 78,220,998</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, 2023

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, 2023**

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, 2023, are available from TSHA.

Fiduciary Component Units – 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.

Fiduciary Component Units – 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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

Fiduciary Component Units – 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 9.0% 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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 on general long-term, including lease liabilities, 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. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Operating and Non-operating items in Proprietary Funds:

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

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

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

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

Cash and Investments:

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

All pooled cash and investment accounts in the individual funds that are in a deficit (overdraft) position with respect to the consolidated cash pool are reclassified at year-end to 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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

maturities to cash needs, the City does not anticipate the need to sell investments to meet cash flow requirements.

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

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

Receivables and payables:

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

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

Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

Inventories and prepaid items:

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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 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
Right to use leased equipment	3-10
Right to use leased property	5-10
Infrastructure	30

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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

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

Long-Term Obligations:

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

Unearned Revenue:

Unearned revenue recorded in the general fund relates to rental payments from Florida Hospital North Pinellas (formerly Helen Ellis Memorial Hospital) that is for the next fiscal year, Hospital Lease 2041 – 2070 that was paid in FY 2019, Local Business Taxes and Mausoleum sales.

Unearned revenue recorded in the grants fund relates to American Rescue Plan Act (ARPA) funding to be expended on approved ARPA projects.

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:

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

Deferred Outflows of Resources – represent a consumption of net assets by the government that applies to future periods.

Deferred Inflows of Resources – represent an acquisition of net assets by the government that applies to future periods.

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, Leases and OPEB are revenues of the subsequent year FY 2024, 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, leases 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 \$18,511,130 of restricted net position, of which \$7,169,422 is restricted by enabling legislation and the balance

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

remaining of \$11,341,708 is restricted by grants, legislation and other external restrictions.

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

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

Fund Balance:

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

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

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

governmental funds besides the general fund can only report a negative unassigned fund balance amount.

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

Fund Balance/Net Position Policy:

I. Purpose

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

II. Definitions of Fund Balance/Net Position

Fund Balance of Governmental Funds:

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

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

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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

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

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

Net Position of Proprietary Funds:

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

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

III. Policy

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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 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.

The Unrestricted Net Position in the Sanitation Fund is under the 25% minimum fund balance by \$278,557 at September 30, 2023. FEMA reimbursements from Hurricane Ian and Idalia once received will offset this deficit along with the increase in the yard waste tipping fees.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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, 2023 there were no new funds and none were eliminated.

E. Recently Issued and Implemented Accounting Pronouncements

The following Government Accounting Standards were effective in fiscal year 2023.

GASB 91 – Conduit Debt Obligations. This standard is effective for fiscal year end September 30, 2023. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and better meet the needs of financial statement users by improving accounting and financial reporting for conduit debt by governments. The City has no conduit debt, this standard did not impact the City's financial statements.

GASB 92 – Omnibus 2020. This standard is effective for fiscal year end September 30, 2023. The objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This standard did not impact the City's financial statements.

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This standard is effective for fiscal year end September 30, 2023. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This standard did not impact the City's financial statements.

GASB 96 – Subscription-Based Information Technology Arrangements. This standard is effective for fiscal year end September 30, 2023. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The standard had a limited effect on the financial statements.

GASB 99 – Omnibus 2022. This standard is effective for fiscal year end September 30, 2023. The objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This standard did not impact the City's financial statements.

Note II - Stewardship, Compliance and Accountability

A. Budgetary information

Annual appropriated budgets are adopted for all funds except for the trust funds which are not required to be budgeted. All annual appropriations lapse at fiscal year-end. Project-length financial plans, in addition to annual appropriated budgets, are adopted for all capital project funds. Supplemental budgetary appropriations were necessary during fiscal 2023 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 2023, periodic amendments were made to the approved budget.
5. Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.
6. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

The assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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, 2023 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

General Fund - Management Information Services Department had expenditures over budget in the amount of \$1,008,376. This is due to the required implementation of Government Accounting Standards Board (GASB) 96 on Subscription-Based Information Technology Arrangements (SBITA). This standard requires certain City subscriptions where the City is the lessee to record these subscriptions at their present value at the commencement of the subscription. The present value of these subscription in the General Fund –was \$1,131,812. This amount is recorded as a SBITA expenditure and issuance of debt at September 30, 2023.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

General Fund – City Attorney Department had expenditures over budget in the amount of \$49,089. This was due to the late receipt of an invoice after the required period to revise the budget.

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 \$5,875,628 which consisted of Checking accounts in the amount of \$5,875,628.

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

Given this strategy, the basis to determine whether market yields are being achieved shall be the average investment return as stated by the Florida Prime, formerly the SBA, for each fiscal year ending September 30. The average investment return as stated by the Florida Prime for fiscal year ending September 30, 2023 is 4.81%. During Fiscal Year 2023, the average cash/investment pool balance was \$58,523,278 and the total annual earnings net of all bank charges was \$1,562,250 (net of unrealized gain/loss at September 30, 2023) giving an average rate of return of 2.67% 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, 2023**

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		\$ 107,656			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		5,798,307			
Bond Proceeds		629			
		5,798,936			
Bank of America - Checking Account					
Operating Funds		76,692			
		76,692			
State Board of Administration (Florida Prime)					
Plan A	21 days	13,301,116	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		13,301,116			
Total Cash and Cash Equivalents		19,284,400			

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

Investments:

Federal Farm Credit Bank	10/20/2023	997,165	AA+	S & P	2
Treasury Bill	11/2/2023	995,442	AA+	S & P	1
Federal Home Loan Bank Note	11/24/2023	992,677	AA+	S & P	2
Treasury Bill	12/15/2023	494,727	AA+	S & P	1
Federal Home Loan Bank Note	12/29/2023	988,347	AA+	S & P	2
Federal Home Loan Bank Note	1/19/2024	985,839	AA+	S & P	2
Federal Home Loan Bank Note	2/14/2024	985,670	AA+	S & P	2
Federal Home Loan Bank Note	2/16/2024	980,744	AA+	S & P	2
Federal Home Loan Bank Note	2/23/2024	991,965	AA+	S & P	2
Federal Home Loan Bank Note	2/28/2024	986,010	AA+	S & P	2
Treasury Bill	2/29/2024	983,906	AA+	S & P	1
Federal Farm Credit Bank	3/8/2024	983,454	AA+	S & P	2
Federal Home Loan Bank Note	3/21/2024	976,002	AA+	S & P	2
Treasury Bill	3/31/2024	984,297	AA+	S & P	1
Federal Home Loan Bank Note	4/22/2024	973,503	AA+	S & P	2
Federal Home Loan Bank Note	5/23/2024	969,527	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	6/28/2024	2,951,991	AA+	S & P	2
Federal Home Loan Bank Note	7/11/2024	1,969,198	AA+	S & P	2
Federal Home Loan Bank Note	7/12/2024	961,301	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	7/26/2024	994,415	AA+	S & P	2
Treasury Bill	8/15/2024	973,555	AA+	S & P	1
Federal Home Loan Bank Note	8/28/2024	982,351	AA+	S & P	2
Federal Home Loan Bank Note	9/10/2024	953,525	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	9/13/2024	994,738	AA+	S & P	2
Treasury Bill	9/30/2024	988,320	AA+	S & P	1
Federal Farm Credit Bank	10/21/2024	949,838	AA+	S & P	2
Federal Farm Credit Bank	11/22/2024	949,034	AA+	S & P	2
Treasury Bill	11/30/2024	989,961	AA+	S & P	1
Federal Home Loan Bank Note	12/16/2024	948,100	AA+	S & P	2
Federal Farm Credit Bank	12/27/2024	945,694	AA+	S & P	2
Treasury Bill	12/31/2024	986,563	AA+	S & P	1
Federal Home Loan Bank Note	1/28/2025	939,248	AA+	S & P	2
Federal Home Loan Bank Note	2/7/2025	989,069	AA+	S & P	2
Federal Home Loan Bank Note	2/26/2025	935,713	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	3/7/2025	995,009	AA+	S & P	2
Federal Home Loan Bank Note	3/27/2025	930,670	AA+	S & P	2
Federal Home Loan Bank Note	4/15/2025	938,193	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	9/29/2025	994,025	AA+	S & P	2
Federal Home Loan Bank Note	12/29/2025	987,586	AA+	S & P	2
Federal Home Loan Bank Note	4/29/2026	921,572	AA+	S & P	2
Federal Home Loan Mortgage Corp Note	7/21/2026	985,851	AA+	S & P	2
Total Investments		<u>42,424,795</u>			
Total Pooled Cash and Investments		<u>\$ 61,709,195</u>			

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Cash and investments as of September 30, 2023 are classified in the accompanying financial statements as follows:

<u>Statement of Net Position</u>	<u>9/30/2023</u>
Primary Government:	
Cash and cash equivalents	\$ 15,996,752
Investments	36,110,088
Restricted assets:	
Cash and cash equivalents	3,287,648
Investments	<u>6,314,707</u>
 Total Pooled Cash and Investments per ACFR	 <u><u>\$ 61,709,195</u></u>

Interest Rate Risk:

In compliance with the City’s Investment Policy, as of September 30, 2023, 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, 2023, 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, 2023**

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, 2023

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	\$ 146,653	n/a	1
Investments:			
U. S. Treasuries	832,596	AAA	1
U. S. Government Agencies	2,798,415	AAA	2
Municipals	240,321	Aa1/Aa2/Aa3	2
Municipals	30,438	A1/A2/A3	2
International Fixed Income	50,953	Aa1/Aa2/Aa3	2
International Fixed Income	208,794	A1/A2/A3	2
International Fixed Income	9,853	Baa1/Baa2	2
Domestic Corporate Bonds	93,816	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	557,413	A1/A2/A3	2
Domestic Corporate Bonds	661,298	Baa1/Baa2/Baa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	3,518,152	n/a	n/a
Mutual Funds	1,971,891		
Equities Common Stock	20,833,590	n/a	1
Total Investments	<u>31,807,530</u>		
Total Managed Cash and Investments	<u>\$ 31,954,183</u>		

The real estate fund has no unfunded commitments at September 30, 2023. The redemption frequency is quarterly and requires 30 days notice. The fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments.

Credit Risk:

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

Interest Rate Risk:

Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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	\$ 151,676	n/a	
Investments:			
U. S. Government Agencies	9,378,721	AAA	2
Domestic Corporate Bonds	1,319,091	A1/A2/A3	2
Equities Common Stock	19,172,087	n/a	1
Total Investments	<u>29,869,899</u>		
Total Managed Cash and Investments	<u>\$ 30,021,575</u>		

Credit Risk:

State law provides that retirement plan fixed income securities must have a quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed 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, 2023**

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	\$ 15,164,634	n/a

Interest Rate Risk:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2023

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							Total
	Non-Major							
	General	CRA	Grants	Optional Sales Tax	Governmental Funds	Internal Service		
Interest	\$ 53,742	\$ 10,625	\$ 72,173	\$ 22,393	\$ 921	\$ 249	\$ 160,103	
Accounts - billed	83,828	-	-	-	-	-	83,828	
Leases	4,415,338	-	-	-	-	-	4,415,338	
Taxes	687,500	-	-	-	-	-	687,500	
Total receivables	\$ 5,240,408	\$ 10,625	\$ 72,173	\$ 22,393	\$ 921	\$ 249	\$ 5,346,769	
Allow. for uncollectibles	-	-	-	-	-	-	-	
Net total receivables	\$ 5,240,408	\$ 10,625	\$ 72,173	\$ 22,393	\$ 921	\$ 249	\$ 5,346,769	

	Business-type Activities			
	Non-Major			Total
	Sanitation	Water/ Sewer	Enterprise Funds	
Interest	\$ 11,545	\$ 75,166	\$ -	\$ 86,711
Accounts - billed	495,690	1,254,518	140,702	1,890,910
Accounts - unbilled	227,333	560,953	70,299	858,585
	734,568	1,890,637	211,001	2,836,206
Allow. for uncollectibles	(46,219)	(95,172)	(5,380)	(146,771)
Net total receivables	\$ 688,349	\$ 1,795,465	\$ 205,621	\$ 2,689,435
Restricted:				
Accrued interest	-	20,413	-	20,413
Accounts - billed	-	262	-	262
Total restricted receivables	\$ -	\$ 20,675	\$ -	\$ 20,675

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

C. Capital Assets

Capital asset activity for Governmental Activities the year ended September 30, 2022 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 7,430,711	\$ 580,000	\$ -	\$ 8,010,711
Construction in progress	2,637,499	5,881,944	(3,932,467)	4,586,976
Total capital assets, not being depreciated	<u>10,068,210</u>	<u>6,461,944</u>	<u>(3,932,467)</u>	<u>12,597,687</u>
Capital assets, being depreciated:				
Buildings	25,275,354	-	-	25,275,354
Improvements other than buildings	26,039,047	1,461,107	(12,107)	27,488,047
Machinery and equipment	14,218,821	789,997	(349,946)	14,658,872
Infrastructure	50,494,742	1,394,055	-	51,888,797
Total capital assets, being depreciated	<u>116,027,964</u>	<u>3,645,159</u>	<u>(362,053)</u>	<u>119,311,070</u>
less accumulated depreciation for:				
Buildings	(17,018,647)	(715,429)	-	(17,734,076)
Improvements other than buildings	(11,426,328)	(1,341,976)	12,107	(12,756,197)
Machinery and equipment	(10,545,678)	(1,023,470)	349,649	(11,219,499)
Infrastructure	(32,889,395)	(1,231,374)	-	(34,120,769)
Total accumulated depreciation	<u>(71,880,048)</u>	<u>(4,312,249)</u>	<u>361,756</u>	<u>(75,830,541)</u>
Total capital assets, being depreciated, net	44,147,916	(667,090)	(297)	43,480,529
Governmental activities capital assets, net	<u>\$ 54,216,126</u>	<u>\$ 5,794,854</u>	<u>\$ (3,932,764)</u>	<u>\$ 56,078,216</u>
Lease assets				797,640
SBITA assets				<u>1,075,221</u>
Total capital assets, net as reported in the statement of net position				<u><u>57,951,077</u></u>

Included above is \$493,747 of capital assets in Internal Service Funds.

Lease asset activity for Governmental Activities the year ended September 30, 2023 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Lease assets:				
Property	\$ 309,657	\$ 122,726	\$ -	\$ 432,383
Equipment	602,220	-	-	602,220
Total	<u>911,877</u>	<u>122,726</u>	<u>-</u>	<u>1,034,603</u>
less accumulated amortization for:				
Property	(19,594)	(72,547)	-	(92,141)
Equipment	(72,411)	(72,411)	-	(144,822)
Total	<u>(92,005)</u>	<u>(144,958)</u>	<u>-</u>	<u>(236,963)</u>
Total lease assets, net	<u>\$ 819,872</u>	<u>\$ (22,232)</u>	<u>\$ -</u>	<u>\$ 797,640</u>

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

SBITA asset activity for Governmental Activities the year ended September 30, 2023 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
SBITA assets:				
Property	\$ -	\$ 1,131,812	\$ -	\$ 1,131,812
Total	<u>-</u>	<u>1,131,812</u>	<u>-</u>	<u>1,131,812</u>
less accumulated amortization for:				
Equipment	-	(56,591)	-	(56,591)
Total	<u>-</u>	<u>(56,591)</u>	<u>-</u>	<u>(56,591)</u>
Total lease assets, net	<u>\$ -</u>	<u>\$ 1,075,221</u>	<u>\$ -</u>	<u>\$ 1,075,221</u>

Capital asset activity for Business-type Activities the year ended September 30, 2023 was as follows:

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land and land rights	\$ 3,459,687	\$ 153,620	\$ -	\$ 3,613,307
Construction in progress	8,808,433	6,944,979	(4,973,787)	10,779,625
Total capital assets, not being depreciated	<u>12,268,120</u>	<u>7,098,599</u>	<u>(4,973,787)</u>	<u>14,392,932</u>
Capital assets, being depreciated:				
Buildings	2,214,958	-	-	2,214,958
Improvements other than buildings	140,131,453	4,401,771	-	144,533,224
Machinery and equipment	8,868,148	922,916	(370,026)	9,421,038
Total capital assets, being depreciated	<u>151,214,559</u>	<u>5,324,687</u>	<u>(370,026)</u>	<u>156,169,220</u>
less accumulated depreciation for:				
Buildings	(903,946)	(82,740)	-	(986,686)
Improvements other than buildings	(58,279,993)	(4,494,290)	-	(62,774,283)
Machinery and equipment	(6,960,255)	(575,487)	370,026	(7,165,716)
Total accumulated depreciation	<u>(66,144,194)</u>	<u>(5,152,517)</u>	<u>370,026</u>	<u>(70,926,685)</u>
Total capital assets, being depreciated, net	<u>85,070,365</u>	<u>172,170</u>	<u>-</u>	<u>85,242,535</u>
Business-type activities capital assets, net	<u>\$ 97,338,485</u>	<u>\$ 7,270,769</u>	<u>\$ (4,973,787)</u>	<u>\$ 99,635,467</u>
Lease assets				<u>63,605</u>
Total capital assets, net as reported in the statement of net position				<u><u>99,699,072</u></u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Lease asset activity for Business-type Activities the year ended September 30, 2023 was as follows:

Business-type Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Lease assets:				
Equipment	\$ 190,813	\$ -	\$ -	\$ 190,813
Total	<u>190,813</u>	<u>-</u>	<u>-</u>	<u>190,813</u>
less accumulated amortization for:				
Equipment	(63,604)	(63,604)	-	(127,208)
Total	<u>(63,604)</u>	<u>(63,604)</u>	<u>-</u>	<u>(127,208)</u>
Total lease assets, net	<u>\$ 127,209</u>	<u>\$ (63,604)</u>	<u>\$ -</u>	<u>\$ 63,605</u>

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

Governmental activities:	
General government	\$ 503,658
Public safety	1,366,026
Physical environment	198,024
Transportation	1,361,444
Economic environment	194,654
Culture/recreation	645,979
Internal service funds	<u>42,464</u>
Total depreciation expense - governmental activities	<u>\$ 4,312,249</u>
Business-type activities:	
Sanitation	\$ 108,259
Water and Sewer	4,662,281
Stormwater	312,049
Marina	15,058
Golf Course	<u>54,870</u>
Total depreciation expense - business-type activities	<u>\$ 5,152,517</u>

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

Governmental activities:	
General government	\$ 113,320
Economic environment	<u>31,638</u>
Total amortization expense - governmental activities	<u>\$ 144,958</u>
Business-type activities:	
Golf Course	<u>\$ 63,604</u>
Total amortization expense - business-type activities	<u>\$ 63,604</u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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

Governmental activities:	
General government	\$ <u>56,591</u>
Total amortization expense - governmental activities	\$ <u><u>56,591</u></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, 2023, is as follows:

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
Special Revenue Fund:		
CRA	\$ -	\$ 100,000
Enterprise Fund:		
Sanitation	100,000	-
Total	<u><u>\$ 100,000</u></u>	<u><u>\$ 100,000</u></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 \$40,392 in Fiscal Year 2023. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2023, 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 \$73,149 in Fiscal Year 2023. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2023, the advance was paid in full.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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 advance was decreased with a reimbursement of \$100,000 in Fiscal Year 2023. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2023, the unpaid advance was \$100,000, which is included in the total advances of \$100,000 in the City’s financial statements.

Interfund transfers:

	Transfer In:			Total
	General Fund	Non-major Governmental Funds	Internal Service Funds Vehicle Maint	
<u>Transfer Out:</u>				
Non-major Governmental				
Funds	\$ 200,000	\$ 250,000	\$ -	\$ 450,000
Enterprise Funds:				
Sanitation	302,184	-	-	302,184
Water & Sewer	1,438,123	-	-	1,438,123
Non-major Enterprise Funds	156,639	-	-	156,639
	\$ 2,096,946	\$ 250,000	\$ -	\$ 2,346,946

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 and Subscription-Based Information Technology Arrangements (SBITA)

Right to use lease asset:

On January 12, 2021 a lease was approved leasing an asphalt parking lot located on the western portion of 116 S. Pinellas Avenue. The lease commenced on February 1, 2021 and will terminate on January 31, 2031. During the first year of the lease the City will pay \$12,000 in monthly installments of \$1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid \$12,607 in lease payments in FY 2023.

On January 25, 2022 a lease was approved leasing an asphalt parking lot located on the southside of Court Street. The lease commenced on February 1, 2022 and will terminate on January 31, 2032. During the first year of the lease the City will pay \$12,000 in monthly

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

installments of \$1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid \$12,240 in lease payments in FY 2023.

On July 8, 2022 a lease was approved leasing an asphalt parking lot located at the southwest corner of Hibiscus and Orange streets. The lease commenced on August 1, 2022 and will terminate on July 31, 2032. During the first year of the lease the City will pay \$12,000 in monthly installments of \$1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid \$12,060 in lease payments in FY 2023.

On March 19, 2019 a lease was approved leasing a generator at the City Hall complex. The lease commenced on November 1, 2019 and will terminate on October 31, 2029. During the first year of the lease the City will pay \$84,168 in monthly installments of \$7,014. The lease has no provisions for increasing. The City paid \$84,168 in lease payments in FY 2023.

On July 27, 2021 a lease was approved leasing golf carts at the City golf course. The lease commenced on October 1, 2021 and will terminate on September 30, 2024. During the first year of the lease the City will pay \$66,537 in monthly installments of \$5,545. The lease has no provisions for increasing. The City paid \$66,537 in lease payments in FY 2023.

On October 22, 2022 a lease was approved for the City wellness clinic. The lease commenced on October 1, 2022 and will terminate on September 30, 2025. During the first year of the lease the City will pay \$42,795 in monthly installments of \$3,566. The lease has no provisions for increasing. The City paid \$42,795 in lease payments in FY 2023.

Annual lease service requirements to maturity for the leases is as follows:

Year Ended September 30 -	Governmental Activities		Year Ended September 30 -	Business-type Activities	
	Principal	Interest		Principal	Interest
2024	\$ 141,020	\$ 23,958	2024	\$ 65,596	\$ 941
2025	145,340	20,778	2025	-	-
2026	106,269	18,228	2026	-	-
2027	109,484	16,223	2027	-	-
2028	112,798	14,156	2028	-	-
2029-2032	198,675	36,237	2029-2032	-	-
Total	\$ 813,586	\$ 129,580	Total	\$ 65,596	\$ 941

City as Lessor:

The City is lessor on various leases. Included in this amount are rents of \$300,000 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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 original lease was \$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.

Included in the aggregate rental income 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 was 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

The City has entered into lease agreements as lessee for financing the acquisition of two fire trucks. 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.

Subscription-Based Information Technology Arrangements (SBITA):

On June 1, 2023 a SBITA was approved with Central Square to provide the cloud based financial software for the City. The software provides the following services the City uses: Financial, Payroll, Human Resources, Cash Receipts, Fleet Management, Asset Management, Building Permits, Business Licenses, Code Enforcement, Planning, Utilities etc. The lease commenced on July 1, 2023 and will terminate on June 30, 2028. During the first year of the lease the City will pay \$244,140 in monthly installments of \$20,345. The lease will increase annually on the anniversary of the lease in the amount of 5%. The City paid \$61,034 in lease payments in FY 2023.

Year Ended September 30 -	Governmental Activities	
	Principal	Interest
2024	\$ 214,142	\$ 33,046
2025	220,919	38,628
2026	227,911	44,614
2027	235,125	51,026
2028	181,214	41,348
Total	\$ 1,079,311	\$ 208,662

F. Long-Term Debt

Financed Purchases:

The City has entered into agreements for financing the acquisition of two fire trucks. The agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Year ended September 30-	Financed Purchases					
	2020 Fire Truck		2021 Fire Truck		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 232,559	\$ 7,040	\$ 169,575	\$ 9,058	\$ 402,134	\$ 16,098
2025	-	-	172,542	6,091	172,542	6,091
2026	-	-	175,561	3,072	175,561	3,072
Totals	\$ 232,559	\$ 7,040	\$ 517,678	\$ 18,221	\$ 750,237	\$ 25,261

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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 \$310,000 at October 1, 2023 to \$355,000 due October 1, 2028, interest at 2.375% 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 \$715,000 at October 1, 2023 to \$835,000 due October 1, 2028, interest at 2.375% 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 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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

Year Ended	Utility System Revenue Bonds					
	2013A-1		2013A-2		Total	
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	925,476
2027	345,000	133,538	805,000	758,338	1,150,000	891,876
2027	355,000	123,188	835,000	728,188	1,190,000	851,376
2029-2033	1,950,000	435,450	4,680,000	3,154,175	6,630,000	3,589,625
2034-2038	1,335,000	94,500	6,570,000	2,218,400	7,905,000	2,312,900
2039-2042	-	-	7,465,000	712,688	7,465,000	712,688
Totals	\$ 4,960,000	\$ 1,245,127	\$ 22,645,000	\$ 9,981,914	\$ 27,605,000	\$ 11,227,041

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, 2023 are \$27,605,000, Series 2013A-1 \$4,960,000 and Series 2013A-2 \$22,645,000. Interest paid for the current year and net revenues were Series 2013A-1 \$169,138 and Series 2013A-2 \$846,975 and \$6,603,698 respectively.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Financed purchases payable:					
Financed purchases	\$ 1,146,501	\$ -	\$ (396,264)	\$ 750,237	\$ 402,134
Total financed purchases payable	1,146,501	-	(396,264)	750,237	402,134
SBITA purchases payable:					
SBITA purchases	\$ -	\$ 1,131,812	\$ (52,501)	\$ 1,079,311	\$ 214,142
Total SBITA purchases payable	-	1,131,812	(52,501)	1,079,311	214,142
Other Liabilities:					
Compensated absences	\$ 1,613,897	\$ 1,117,694	\$ (958,566)	\$ 1,773,025	\$ 81,541
Other postemployment benefits	2,180,773	-	(34,461)	2,146,312	-
Leases	827,690	122,726	(136,830)	813,586	141,020
Net pension liability	15,160,138	1,379,332	(2,456,526)	14,082,944	-
Claims payable	345,700	160,951	(149,016)	357,635	17,454
Governmental activities					
Long-term liabilities	<u>\$ 21,274,699</u>	<u>\$ 5,044,327</u>	<u>\$ (4,236,665)</u>	<u>\$ 22,082,361</u>	<u>\$ 1,070,433</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 28,630,000	\$ -	\$ (1,025,000)	\$ 27,605,000	\$ 1,060,000
Less deferred amounts:					
For issuance premiums (discounts)	245,486	-	(20,358)	225,128	-
Net utility system revenue bonds	28,875,486	-	(1,045,358)	27,830,128	1,060,000
Total bonds and notes payable	28,875,486	-	(1,045,358)	27,830,128	1,060,000
Other Liabilities:					
Compensated absences	395,560	347,726	(331,791)	411,495	19,186
Leases	129,180	-	(63,584)	65,596	65,596
Other postemployment benefits	173,301	78,076	-	251,377	-
Business-type activities					
Long-term liabilities	<u>\$ 29,573,527</u>	<u>\$ 425,802</u>	<u>\$ (1,440,733)</u>	<u>\$ 28,558,596</u>	<u>\$ 1,144,782</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 \$25,841 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities, are generally liquidated by the general fund with \$1,747,184. Also, for governmental activities, net pension liabilities and other post-employment benefits are liquidated by the general fund.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

G. Fund Balance Reporting

Governmental fund balances reported on the fund financial statements at September 30, 2023, include the following:

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	24,135	-	-	-	-	24,135
Leases	152,637	-	-	-	-	152,637
Restricted for:						
Donations received	319,821	-	-	-	-	319,821
Capital projects - impact fee programs	-	-	-	-	1,515,322	1,515,322
CRA	-	1,153,180	-	-	-	1,153,180
Capital projects - optional sales tax	-	-	-	7,176,480	-	7,176,480
Transportation	-	-	-	-	622,093	622,093
Law enforcement programs	-	-	-	-	223,380	223,380
Grant programs	-	-	391,503	-	-	391,503
Public art program	-	-	-	-	147,356	147,356
Land preservation	-	-	-	-	15,248	15,248
Committed to:						
Cemetery	785,666	-	-	-	-	785,666
Tree bank	418,068	-	-	-	-	418,068
Right of way	148,424	-	-	-	-	148,424
Sidewalks	40,270	-	-	-	1,700,258	1,740,528
Employee benefit cost deferral	-	-	-	-	121,950	121,950
Assigned to:						
Compensated absences	1,310,388	-	-	-	-	1,310,388
Disaster reserve	50,000	-	-	-	-	50,000
Subsequent years expenditures	337,000	-	-	-	-	337,000
Insurance/Other	202,469	-	-	-	-	202,469
Perpetual exclusive easement	720,000	-	-	-	-	720,000
Management Designations	632,164	-	-	-	-	632,164
Public safety	315,000	-	-	-	-	315,000
Other contractual obligations	673,181	-	-	-	-	673,181
Unassigned:	8,717,784	-	-	-	-	8,717,784
Total Fund Balances	\$14,847,007	\$ 1,153,180	\$ 391,503	\$7,176,480	\$ 4,345,607	\$ 27,913,777

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

laws and 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 (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 \$571,463 for Fiscal Year 2023. Claims for each occurrence above \$25,000 and above \$571,463 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 \$473,786 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, 2023 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, 2023.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Changes in the claims liability amounts in Fiscal Years 2023 and 2022 were:

	<u>Self Insurance</u>
Balance at September 30, 2021	\$ 227,343
Current year claims and changes in estimates	146,452
Claim payments	<u>(28,095)</u>
Balance at September 30, 2022	345,700
Current year claims and changes in estimates	160,951
Claim payments	<u>(149,016)</u>
Balance at September 30, 2023	<u><u>\$ 357,635</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, 2023, there were no conduit debt obligations of the City.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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 current permit expires February 5, 2032 and states that financial assurance is no longer required for this facility. The City had expenses of \$68,492 in Fiscal Year 2023 for post-closure monitoring and maintenance at the facility.

E. Commitments and Contingencies

The following table lists the outstanding encumbrances at September 30, 2023. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

	Governmental Activities					
	General Fund	Grants	Optional Sales Tax	Non-Major Governmental Funds	Internal Service	Total
Encumbrances Outstanding	\$ 673,181	\$ 1,853,304	\$ 4,823,766	\$ 749,071	\$ 2,327	\$ 8,101,649

	Business-Type Activities			
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total
Encumbrances Outstanding	\$ 283,759	\$ 5,774,079	\$ 587,471	\$ 6,645,309

General Fund – of the amount above, \$148,170 is for the Community Center Generator; \$74,812 is for a Parks vehicle; \$43,477 is for the Strategic Plan.

Grants Fund –\$1,853,304 is for American Rescue Plan Act (ARPA) approved projects.

Optional Sales Tax – of the amount noted above, \$923,412 is for Lemon/Shaddock St; \$862,300 is for Anclote Turn Basin; \$793,899 is for Mango St. Phase II; \$754,600 is for So. Spring/MLK.

Non-Major Governmental Funds - of the amount noted above, \$370,791 is for Annual Street Paving; \$233,667 is for Mango St. Phase II.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

Sanitation Fund - of the amount noted above, \$240,559 is for the new City Clerk Building.

Water and Sewer – of the amount noted above, \$1,789,667 is for the new City Clerk Building; \$1,135,334 is for Lift Station Rehabilitation; \$389,545 is for Solar Energy Efficiency Improvements.

Non-Major Enterprise Funds – of the amount noted above, \$251,583 is for Mango St. Phase II.

During Fiscal Year 2023 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”, establishes 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 262 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, 2023**

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, 2023, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2022 to September 30, 2023. The components of the City’s OPEB liability at September 30, 2023 are as follows:

Total OPEB liability	\$2,397,689
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u><u>\$2,397,689</u></u>

OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%
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Actuarial Assumptions – The total OPEB liability at September 30, 2023 was based on the actuarial valuation for the period October 1, 2022 to September 30, 2023. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	3.10%
Discount Rate	4.09%
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, 2023 was 4.09%. The discount rate used to measure the Total liability at September 30, 2022 was 4.02%. 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, 2023 rates were applied for the applicable time periods.

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2023

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2022	\$ 2,354,074
Changes for the Year:	
Service cost	130,328
Interest	97,347
Changes in assumptions	90,862
Gain attributable to experience	(115,371)
Benefit payments	(159,551)
Net Changes	<u>43,615</u>
Balances at September 30, 2022	<u>\$ 2,397,689</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 4.09%, as well as what the City’s total liability would be if it were calculated using a discount rate that is one percentage-point lower (3.09%) or one percentage-point higher (5.09%) than the current discount rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Total OPEB Liability	\$ 2,604,175	\$ 2,397,689	\$ 2,211,060

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	\$ 2,144,393	\$ 2,397,689	\$ 2,698,149

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2023 the City recognized OPEB expense of \$199,164. At September 30, 2023, 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, 2023**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$502,920	(101,940)
Changes in assumptions	244,724	(1,178,062)
Total	<u>\$747,644</u>	<u>\$ (1,280,002)</u>

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

Year Ended September 30:

2024	\$ (28,512)
2025	(75,781)
2026	(90,285)
2027	(225,640)
2028	(104,749)
Thereafter	(7,391)
	<u>\$ (532,358)</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, 2023**

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, 2022:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>45</u>
	<u><u>95</u></u>

Benefits provided:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

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, 2023**

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, 2023.
The measurement period for the pension expense was October 1, 2022 to September 30, 2023.
The reporting period is October 1, 2022 through September 30, 2023.

The sponsor's Net Pension Liability was measured as of September 30, 2023.
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, 2022 updated to September 30, 2023 using the following actuarial assumptions:

Inflation 2.50%
Salary Increases Service based
Discount Rate 7.25%
Investment Rate of Return 7.25%

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

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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, 2021 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. 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, 2023 are summarized in the following table:

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

Inflation rate of investment advisor 2.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.25%.

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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. No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

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, 2022	\$ 37,722,474	\$ 28,200,450	9,522,024
Changes for a year:			
Service cost	799,251	-	799,251
Interest	2,700,657	-	2,700,657
Experience Gains/Losses	22,732	-	22,732
Contributions - Employer	-	745,207	(745,207)
Contributions - State	-	354,936	(354,936)
Contributions - Employee	-	322,107	(322,107)
Net Investment Income	-	3,068,501	(3,068,501)
Benefit Payments, including Refunds of Employee Contribution	(2,542,572)	(2,542,572)	-
Administrative Expense	-	(73,098)	73,098
Net Changes	980,068	1,875,081	(895,013)
Reporting Period Ending September 30, 2023	<u>\$ 38,702,542</u>	<u>\$ 30,075,531</u>	<u>\$ 8,627,011</u>
Plan Fiduciary Net Position as percentage of Total Pension Liability		78%	

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability (Asset)	\$ 13,502,481	\$ 8,627,011	\$ 4,629,885

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, 2023, the City recognized a Pension Expense of \$2,632,184.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

On September 30, 2023, 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	\$ 232,353	\$ 46,913
Changes of assumptions	463,810	-
Net difference between Projected and Actual Earnings on Pension Plan investments	2,452,688	-
Total	<u>\$ 3,148,851</u>	<u>\$ 46,913</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:

2024	1,134,758
2025	952,814
2026	1,227,812
2027	(213,446)
2028	-
Thereafter	-
Total	<u>\$ 3,101,938</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:

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Plan membership as of October 1, 2022:

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>33</u>
	<u>80</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, 2023**

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, 2023.

The measurement period for the pension expense was October 1, 2022 to September 30, 2023.

The reporting period is October 1, 2022 through September 30, 2023.

The sponsor’s Net Pension Liability was measured as of September 30, 2023.

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, 2022 updated to September 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.45%
Investment Rate of Return	7.45%

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

Notes to the Financial Statements September 30, 2023

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.

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, 2021 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.

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 adopted as of September 30, 2023, as provided by AndCo Consulting, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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%
	<u>100%</u>	

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

Discount Rate:

The discount rate used to measure the total pension liability was 7.45%.

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, 2022	\$ 36,245,528	\$ 30,607,414	\$ 5,638,114
Changes for a year:			
Service cost	657,155	-	657,155
Interest	2,728,617	-	2,728,617
Experience Gains/Losses	186,033	-	186,033
Changes of Assumptions	619,081	-	619,081
Differences between Expected and Actual Experience	-	-	-
Contributions - Employer	-	480,000	(480,000)
Contributions - State	-	292,387	(292,387)
Contributions - Employee	-	261,889	(261,889)
Net Investment Income	-	3,420,104	(3,420,104)
Benefit Payments, including Refunds of Employee Contribution	(1,999,648)	(1,999,648)	-
Administrative Expense	-	(81,313)	81,313
Net Changes	2,191,238	2,373,419	(182,181)
Reporting Period Ending September 30, 2023	<u>\$ 38,436,766</u>	<u>\$ 32,980,833</u>	<u>\$ 5,455,933</u>
Plan Fiduciary Net Position as percentage of Total Pension Liability		86%	

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

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Sponsor's Net Pension Liability (Asset)	\$ 10,070,544	\$ 5,455,933	\$ 1,634,929

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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, 2023, the City recognized a Pension Expense of \$1,982,340.

On September 30, 2023, 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	\$ 265,494	\$ -
Changes of assumptions	464,310	-
Net difference between Projected and Actual Earnings on Pension Plan investments	1,702,801	-
Total	<u>\$ 2,432,605</u>	<u>\$ -</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:

2024	\$ 568,051
2025	643,019
2026	1,448,278
2027	(226,743)
2028	-
Thereafter	-
Total	<u>\$ 2,432,605</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	\$ 8,627,011	\$ 5,455,933	\$ 14,082,944
Deferred Outflows	\$ 3,148,851	\$ 2,432,605	\$ 5,581,456
Deferred Inflows	\$ 46,913	\$ -	\$ 46,913
Pension Expense	\$ 2,632,184	\$ 1,982,340	\$ 4,614,524

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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

STATEMENT OF NET POSITION - PENSION TRUST FUNDS

	Defined Benefit		Defined Contribution
	Police Officers Pension	Firefighters Pension	General Employees Pension
Assets			
Cash and cash equivalents:			
Short Term Investments	\$ 151,676	\$ -	\$ -
Prepaid Benefits	-	2,000	-
Money Market	-	1,001,500	-
Cash	-	146,653	-
Total Cash and cash equivalents:	<u>151,676</u>	<u>1,150,153</u>	<u>-</u>
Receivables:			
Tax Reclaims	-	3,628	-
Investment Income	70,173	52,692	-
Total Receivables:	<u>70,173</u>	<u>56,320</u>	<u>-</u>
Investments:			
U.S. Bonds and Bills	3,989,542	832,596	-
Federal Agency Guaranteed Securities	5,389,179	2,798,415	-
Corporate Bonds	1,319,091	1,582,127	-
Municipal Obligations	-	270,759	-
Stocks	5,343,631	20,833,590	-
Mutual Funds:			
Fixed Income	-	1,924,454	-
Equity	13,828,456	47,437	15,164,634
Pooled/Common/Commingled Funds: Real Estate	-	3,518,152	-
Total Investments	<u>29,869,899</u>	<u>31,807,530</u>	<u>15,164,634</u>
Total Assets	<u>30,091,748</u>	<u>33,014,003</u>	<u>15,164,634</u>
Liabilities			
Payables:			
Benefit Payments	4,148	-	-
Investment Expenses	1,866	-	-
Prior Refunds	1,232	31,907	-
Administrative Expenses	8,971	1,263	-
Total Liabilities	<u>16,217</u>	<u>33,170</u>	<u>-</u>
Net Position			
Net Position Restricted for Pensions	<u>\$ 30,075,531</u>	<u>\$ 32,980,833</u>	<u>\$ 15,164,634</u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS

	Defined Benefit		Defined
	Police Officers	Firefighters	Contribution
	Pension	Pension	General Employees Pension
Additions:			
Contributions:			
Plan members	\$ 322,107	\$ 261,889	\$ 34,925
Employer	745,207	480,000	1,133,103
State of Florida	354,936	292,387	-
Total Contributions	<u>1,422,250</u>	<u>1,034,276</u>	<u>1,168,028</u>
Investment Income:			
Net decrease in fair value of investments	2,317,668	2,797,346	1,009,487
Interest & Dividends	841,804	762,655	584,586
Less Investment Expense (a)	(90,971)	(139,897)	-
Net Investment Income	<u>3,068,501</u>	<u>3,420,104</u>	<u>1,594,073</u>
Total Additions	<u>4,490,751</u>	<u>4,454,380</u>	<u>2,762,101</u>
Deductions:			
Distributions to Members:			
Benefit Payments	1,617,433	1,670,803	778,107
Lump Sum DROP Distributions	919,176	267,645	-
Refunds of Member Contributions	5,963	61,200	-
Total Distributions	<u>2,542,572</u>	<u>1,999,648</u>	<u>778,107</u>
Administrative Expense	73,098	81,313	41,304
Total Deductions	<u>2,615,670</u>	<u>2,080,961</u>	<u>819,411</u>
Net Increase in Net Position	1,875,081	2,373,419	1,942,690
Net Position Restricted for Pensions - Beginning of Year	<u>28,200,450</u>	<u>30,607,414</u>	<u>13,221,944</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 30,075,531</u>	<u>\$ 32,980,833</u>	<u>\$ 15,164,634</u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2023

Defined Contribution Pension Plans

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

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

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

At September 30, 2023, there were 218 active Plan members, 114 vested and 104 partially vested. The City contributes 9.0% 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 2023 were \$1,133,103.

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2023**

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

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

As of September 30, 2023, 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>
Am Funds 2020 Trgt Ret R6	99,685	\$ 1,240,081
Am Funds 2025 Trgt Ret R6	80,012	1,112,173
Am Funds 2030 Trgt Ret R6	114,279	1,739,329
Am Funds 2035 Trgt Ret R6	83,384	1,370,834
MFS Growth Allocation R4	38,417	837,481

***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 Ten Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability:										
Service Cost	\$ 799,251	\$ 702,824	\$ 753,859	\$ 758,884	\$ 755,760	\$ 667,849	\$ 604,591	\$ 814,107	\$ 792,099	\$ 755,726
Interest	2,700,657	2,604,290	2,530,012	2,473,025	2,311,900	2,182,922	2,027,488	1,960,385	1,845,378	1,732,714
Change in Excess State Money	-	-	-	-	-	(20,737)	12,974	7,763	-	-
Changes of Benefit Terms	-	-	-	-	19,460	528,023	-	-	(119,708)	-
Experience Gains/Losses	22,732	-	-	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	-	430,608	(187,652)	(278,163)	686,913	193,927	(14,341)	(727,466)	(319,167)	-
Changes of Assumptions	-	927,618	-	(244,872)	-	-	660,290	541,040	-	-
Contributions - Buy Back	-	-	61,720	-	10,289	17,148	-	56,848	-	-
Benefit Payments, including employee refunds	(2,542,572)	(1,927,814)	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)
Net Change in Total Pension Liability	980,068	2,737,526	852,701	1,126,044	2,127,846	2,326,592	2,344,157	1,760,744	1,321,484	1,407,588
Total Pension Liability - Beginning	37,722,474	34,984,948	34,132,247	33,006,203	30,878,357	28,551,765	26,207,608	24,446,864	23,125,380	21,717,792
Total Pension Liability - Ending (a)	\$ 38,702,542	\$ 37,722,474	\$ 34,984,948	\$ 34,132,247	\$ 33,006,203	\$ 30,878,357	\$ 28,551,765	\$ 26,207,608	\$ 24,446,864	\$ 23,125,380
Plan Fiduciary Net Position:										
Contributions - Employer	745,207	656,304	616,790	487,500	419,992	281,834	241,324	369,399	639,284	590,013
Contributions - State	354,936	305,168	274,793	274,483	262,762	247,970	225,484	220,273	207,813	200,056
Contributions - Employee	322,107	305,249	301,848	290,389	285,455	269,438	251,275	264,978	262,499	259,014
Contributions - Buy Back	-	-	61,720	-	10,289	17,148	-	56,848	-	-
Net Investment Income	3,068,501	(4,684,210)	5,241,798	1,011,772	290,797	2,526,845	2,640,786	1,292,444	(68,190)	2,532,116
Benefit Payments, Including Refunds of										
Employee Contributions	(2,542,572)	(1,927,814)	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)	(877,118)	(1,080,852)
Administrative Expense	(73,098)	(67,273)	(48,031)	(49,308)	(57,843)	(46,628)	(56,933)	(52,805)	(36,428)	(27,331)
Net Change in Plan Fiduciary Net Position	1,875,081	(5,412,576)	4,143,680	432,006	(445,024)	2,054,067	2,355,091	1,259,204	127,860	2,473,016
Plan Fiduciary Net Position - Beginning	28,200,450	33,613,026	29,469,346	29,037,340	29,482,364	27,428,297	25,073,206	23,814,002	23,686,142	21,213,126
Plan Fiduciary Net Position - Ending (b)	\$ 30,075,531	\$ 28,200,450	\$ 33,613,026	\$ 29,469,346	\$ 29,037,340	\$ 29,482,364	\$ 27,428,297	\$ 25,073,206	\$ 23,814,002	\$ 23,686,142
Net Pension Liability - Ending (a) - (b)	\$ 8,627,011	\$ 9,522,024	\$ 1,371,922	\$ 4,662,901	\$ 3,968,863	\$ 1,395,993	\$ 1,123,468	\$ 1,134,402	\$ 632,862	\$ (560,762)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.71%	74.76%	96.08%	86.34%	87.98%	95.48%	96.07%	95.67%	97.41%	102.42%
Covered Payroll	\$ 4,026,340	\$ 3,815,616	\$ 3,773,099	\$ 3,629,864	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189
Net Pension Liability as a Percentage of Covered Payroll	214.26%	249.55%	36.36%	128.46%	111.23%	41.45%	35.77%	34.25%	17.83%	-18.21%

Notes to Schedule:

Changes of assumptions:

Total Pension Liability and GASB 68 Pension expense measured as of September 30, 2023 reflect no assumption changes.

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability:										
Service Cost	\$ 657,155	\$ 678,196	\$ 672,507	\$ 618,856	\$ 624,885	\$ 502,577	\$ 451,742	\$ 470,186	\$ 433,596	\$ 415,729
Interest	2,728,617	2,603,889	2,478,210	2,388,833	2,260,369	2,145,398	2,080,242	1,949,568	1,901,472	1,806,846
Change in excess State money	-	-	-	-	(68,720)	-	-	-	4,353	-
Share Plan Allocation	-	-	8,226	-	34,360	-	-	-	-	-
Experience Gains/Losses	186,033	-	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	(5,673)	-	-	-	-	-
Differences between Expected and Actual Experience	-	183,218	85,900	(99,941)	134,039	387,233	(4,067)	226,161	(141,504)	-
Changes of Assumptions	619,081	-	-	360,735	652,014	-	-	954,519	-	(41,516)
Benefit Payments, Including Refunds of Employee Contributions	(1,999,648)	(1,606,564)	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)
Net Change in Total Pension Liability	2,191,238	1,858,739	1,657,706	1,780,085	2,143,181	1,130,269	924,866	1,347,703	1,207,957	1,168,780
Total Pension Liability - Beginning	36,245,528	34,386,789	32,729,083	30,948,998	28,805,817	27,675,548	26,750,682	25,402,979	24,195,022	23,026,242
Total Pension Liability - Ending (a)	<u>\$ 38,436,766</u>	<u>\$ 36,245,528</u>	<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>
Plan Fiduciary Net Position:										
Contributions - Employer	480,000	793,917	769,397	797,112	777,408	776,966	560,252	758,808	974,041	782,526
Contributions - State	292,387	272,146	241,803	219,619	217,232	213,788	205,597	223,925	242,782	237,443
Contributions - Employee	261,889	254,965	251,792	251,256	255,510	247,177	201,094	197,641	183,224	162,859
Net Investment Income	3,420,104	(4,673,722)	6,565,953	2,478,669	744,272	2,735,006	3,023,816	1,821,061	316,096	1,993,557
Benefit Payments, Including Refunds of Employee Contributions	(1,999,648)	(1,606,564)	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)	(989,960)	(1,012,279)
Administrative Expense	(81,313)	(73,079)	(73,884)	(85,586)	(60,473)	(55,735)	(56,818)	(39,185)	(66,388)	(46,371)
Net Change in Plan Fiduciary Net Position	2,373,419	(5,032,337)	6,167,924	2,172,672	445,856	2,012,263	2,330,890	709,519	659,795	2,117,735
Plan Fiduciary Net Position - Beginning	30,607,414	35,639,751	29,471,827	27,299,155	26,853,299	24,841,036	22,510,146	21,800,627	21,140,832	19,023,097
Plan Fiduciary Net Position - Ending (b)	<u>\$ 32,980,833</u>	<u>\$ 30,607,414</u>	<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>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,455,933</u>	<u>\$ 5,638,114</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.81%	84.44%	103.64%	90.05%	88.21%	93.22%	89.76%	84.15%	85.82%	87.38%
Covered Payroll	\$ 2,771,316	\$ 2,698,038	\$ 2,664,465	\$ 2,658,781	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310
Net Pension Liability as a Percentage of Covered Payroll	196.87%	208.97%	-47.02%	122.51%	134.99%	74.64%	133.20%	202.80%	142.07%	148.02%

Notes to Schedule:

Changes of assumptions:

Total Pension Liability and GASB 68 Pension expense measured as of September 30, 2023 reflect the following assumption change.

- The discount rate was updated from 7.60% to 7.45%.

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,026,717	\$ 915,366	\$ 891,583	\$ 790,221	\$ 740,756	\$ 514,963	\$ 500,665	\$ 587,919	\$ 722,857	\$ 790,069
Contributions in Relation to the Actuarially Determined Contributions:	1,100,143	961,472	891,583	761,983	682,754	529,804	453,834	581,909	847,097	790,069
Contribution Deficiency (Excess)	\$ (73,426)	\$ (46,106)	\$ -	\$ 28,238	\$ 58,002	\$ (14,841)	\$ 46,831	\$ 6,010	\$ (124,240)	\$ -
Covered Payroll	\$ 4,026,340	\$ 3,815,616	\$ 3,773,099	\$ 3,629,864	\$ 3,568,189	\$ 3,367,974	\$ 3,140,932	\$ 3,312,219	\$ 3,550,062	\$ 3,080,189
Contributions as a Percentage of Covered Payroll	27.32%	25.20%	23.63%	20.99%	19.13%	15.73%	14.45%	17.57%	23.86%	25.65%

Notes to Schedule:

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2023:

Calculation Timing The Actuarially Determined Contribution is calculated using a October1, 2021 valuation date.

Interest Rate 7.50%

Assumptions All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2021 Actuarial Valuation Report for the City of Tarpon Springs Firefighter's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 693,161	\$ 1,003,536	\$ 978,879	\$ 1,086,439	\$ 1,039,195	\$ 951,675	\$ 932,405	\$ 945,300	\$ 992,531	\$ 1,019,969
Contributions in Relation to the Actuarially Determined Contribution	772,387	1,066,063	1,002,974	1,016,731	994,640	990,754	765,849	982,733	1,212,470	1,019,969
Contribution Deficiency (Excess)	\$ (79,226)	\$ (62,527)	\$ (24,095)	\$ 69,708	\$ 44,555	\$ (39,079)	\$ 166,556	\$ (37,433)	\$ (219,939)	\$ -
Covered Payroll	\$ 2,771,316	\$ 2,698,038	\$ 2,664,465	\$ 2,658,781	\$ 2,703,808	\$ 2,616,053	\$ 2,127,978	\$ 2,090,999	\$ 2,535,620	\$ 2,063,310
Contributions as a Percentage of Covered Payroll	27.87%	39.51%	37.64%	38.24%	36.79%	37.87%	35.99%	47.00%	47.82%	49.43%

Notes to Schedule:

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2023:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2021 valuation date.
Interest Rate	7.60%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2021 Actuarial Valuation Report for the City of Tarpon Springs Firefighter's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

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

Police Officers Pension Trust Fund
Schedule of Investment Returns

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	10.93%	-14.05%	17.99%	3.54%	0.99%	9.28%	10.62%	5.44%	-0.29%	11.89%

Firefighters Pension Trust Fund
Schedule of Investment Returns

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return net of investment expense	11.32%	-13.12%	22.30%	9.18%	2.80%	11.29%	13.66%	8.52%	1.49%	10.43%

Notes to Schedule:

This information is required for ten years.

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

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability:						
Service Cost	\$ 130,328	\$ 121,504	\$ 275,446	\$ 173,739	\$ 155,770	\$ 128,874
Interest	97,347	89,074	80,247	93,722	98,666	69,877
Differences between Expected and Actual Experience	-	-	768,290	117,912	-	317,530
Gain Attributable to Experience	(115,371)	-	-	-	-	-
Changes in Assumptions	90,862	(1,710,758)	(6,779)	311,583	101,497	13,362
Benefit Payments	(159,551)	(144,549)	(178,622)	(160,479)	(106,754)	(101,479)
Net Change in Total OPEB Liability	43,615	(1,644,729)	938,582	536,477	249,179	428,164
Total OPEB Liability - Beginning	2,354,074	3,998,803	3,060,221	2,523,744	2,274,565	1,846,401
Total OPEB Liability - Ending	<u>\$ 2,397,689</u>	<u>\$ 2,354,074</u>	<u>\$ 3,998,803</u>	<u>\$ 3,060,221</u>	<u>\$ 2,523,744</u>	<u>\$ 2,274,565</u>
Covered Employee Payroll	\$ 16,485,145	\$ 16,758,275	\$ 16,270,170	\$ 16,045,850	\$ 15,758,601	\$ 15,359,260
Net OPEB Liability as a Percentage of Covered Employee Payroll	14.5%	14.0%	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 six 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, 2023**

	Special Revenue Funds				
	Local				
	Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
ASSETS					
Cash and cash equivalents	\$ 50,120	\$ 1,733,304	\$ 239,870	\$ 284,554	\$ 2,307,848
Investments	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Due from other governments	28,128	-	-	-	28,128
Total Assets	<u>\$ 78,248</u>	<u>\$ 1,733,304</u>	<u>\$ 239,870</u>	<u>\$ 284,554</u>	<u>\$ 2,335,976</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 217,982	\$ 16,490	\$ -	\$ 234,472
Contracts payable	-	-	-	-	-
Total Liabilities	-	217,982	16,490	-	234,472
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total Deferred Inflows of Resources::	-	-	-	-	-
Fund Balances:					
Restricted	78,248	1,515,322	223,380	162,604	1,979,554
Committed	-	-	-	121,950	121,950
Total Fund Balances	<u>78,248</u>	<u>1,515,322</u>	<u>223,380</u>	<u>284,554</u>	<u>2,101,504</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 78,248</u>	<u>\$ 1,733,304</u>	<u>\$ 239,870</u>	<u>\$ 284,554</u>	<u>\$ 2,335,976</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Sidewalk Improvement	Total	
\$ 584,465	\$ 277,701	\$ 862,166	\$ 3,170,014
-	1,422,557	1,422,557	1,422,557
-	921	921	921
-	-	-	28,128
<u>\$ 584,465</u>	<u>\$ 1,701,179</u>	<u>\$ 2,285,644</u>	<u>\$ 4,621,620</u>
\$ 39,704	\$ -	\$ 39,704	\$ 274,176
<u>916</u>	<u>-</u>	<u>916</u>	<u>916</u>
<u>40,620</u>	<u>-</u>	<u>40,620</u>	<u>275,092</u>
-	921	921	921
<u>-</u>	<u>921</u>	<u>921</u>	<u>921</u>
543,845	-	543,845	2,523,399
<u>-</u>	<u>1,700,258</u>	<u>1,700,258</u>	<u>1,822,208</u>
<u>543,845</u>	<u>1,700,258</u>	<u>2,244,103</u>	<u>4,345,607</u>
<u>\$ 584,465</u>	<u>\$ 1,701,179</u>	<u>\$ 2,285,644</u>	<u>\$ 4,621,620</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, 2023

	Special Revenue Funds				
	Local Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
Revenues:					
Taxes	\$ 327,212	\$ -	\$ -	\$ -	\$ 327,212
Permits and fees	-	282,458	-	-	282,458
Intergovernmental	-	-	80,033	-	80,033
Fines and forfeitures	-	-	7,989	-	7,989
Other	6,352	65,783	15,025	27,384	114,544
Total Revenues	<u>333,564</u>	<u>348,241</u>	<u>103,047</u>	<u>27,384</u>	<u>812,236</u>
Expenditures:					
Current:					
Public Safety:					
Police	-	-	71,620	-	71,620
Culture and Recreation:					
Other	-	-	-	10,980	10,980
Capital Outlay	-	369,765	12,000	228,250	610,015
Total Expenditures	<u>-</u>	<u>369,765</u>	<u>83,620</u>	<u>239,230</u>	<u>692,615</u>
Excess (deficiency) of Revenues Over Expenditures	<u>333,564</u>	<u>(21,524)</u>	<u>19,427</u>	<u>(211,846)</u>	<u>119,621</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Net Change in Fund Balances	(16,436)	(21,524)	19,427	(211,846)	(230,379)
Fund Balances - Beginning of Year	<u>94,684</u>	<u>1,536,846</u>	<u>203,953</u>	<u>496,400</u>	<u>2,331,883</u>
Fund Balances - End of Year	<u>\$ 78,248</u>	<u>\$ 1,515,322</u>	<u>\$ 223,380</u>	<u>\$ 284,554</u>	<u>\$ 2,101,504</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Sidewalk Improvement	Total	
\$ -	\$ -	\$ -	\$ 327,212
-	-	-	282,458
-	-	-	80,033
-	-	-	7,989
14,915	67,662	82,577	197,121
<u>14,915</u>	<u>67,662</u>	<u>82,577</u>	<u>894,813</u>
-	-	-	71,620
-	-	-	10,980
42,965	-	42,965	652,980
<u>42,965</u>	<u>-</u>	<u>42,965</u>	<u>735,580</u>
(28,050)	67,662	39,612	159,233
250,000	-	250,000	250,000
-	(100,000)	(100,000)	(450,000)
<u>250,000</u>	<u>(100,000)</u>	<u>150,000</u>	<u>(200,000)</u>
221,950	(32,338)	189,612	(40,767)
<u>321,895</u>	<u>1,732,596</u>	<u>2,054,491</u>	<u>4,386,374</u>
\$ <u>543,845</u>	\$ <u>1,700,258</u>	\$ <u>2,244,103</u>	\$ <u>4,345,607</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 337,141	\$ 337,141	\$ 327,212	\$ (9,929)
Other	394	394	6,352	5,958
Total Revenues	<u>337,535</u>	<u>337,535</u>	<u>333,564</u>	<u>(3,971)</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	(12,465)	(12,465)	(16,436)	(3,971)
Fund Balances - Beginning of Year	<u>94,684</u>	<u>94,684</u>	<u>94,684</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 82,219</u>	<u>\$ 82,219</u>	<u>\$ 78,248</u>	<u>\$ (3,971)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 129,500	\$ -	\$ (129,500)
Permits and Fees	372,067	372,067	282,458	(89,609)
Other	4,276	4,276	65,783	61,507
Total Revenues	376,343	505,843	348,241	(157,602)
Expenditures:				
Capital Outlay	732,020	1,373,877	369,765	1,004,112
Total Expenditures	732,020	1,373,877	369,765	1,004,112
Net Change in Fund Balances	(355,677)	(868,034)	(21,524)	846,510
Fund Balances - Beginning of Year	1,536,846	1,536,846	1,536,846	-
Fund Balances - End of Year	\$ 1,181,169	\$ 668,812	\$ 1,515,322	\$ 846,510

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 80,033	\$ 20,033
Fines and forfeitures	7,300	7,300	7,989	689
Other	903	903	15,025	14,122
Total Revenues	<u>68,203</u>	<u>68,203</u>	<u>103,047</u>	<u>34,844</u>
Expenditures:				
Current:				
Public Safety:				
Police	96,397	96,695	71,620	25,075
Capital Outlay	8,500	12,000	12,000	-
Total Expenditures	<u>104,897</u>	<u>108,695</u>	<u>83,620</u>	<u>25,075</u>
Net Change in Fund Balances	(36,694)	(40,492)	19,427	59,919
Fund Balances - Beginning of Year	<u>203,953</u>	<u>203,953</u>	<u>203,953</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 167,259</u>	<u>\$ 163,461</u>	<u>\$ 223,380</u>	<u>\$ 59,919</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Other	\$ 31,783	\$ 31,783	\$ 27,384	\$ (4,399)
Total Revenues	<u>31,783</u>	<u>31,783</u>	<u>27,384</u>	<u>(4,399)</u>
Expenditures:				
Current:				
Culture/Recreation:				
Other	10,000	10,980	10,980	-
Capital Outlay	<u>140,000</u>	<u>229,020</u>	<u>228,250</u>	<u>770</u>
Total Expenditures	<u>150,000</u>	<u>240,000</u>	<u>239,230</u>	<u>770</u>
Deficiency of Revenues Under Expenditures	<u>(118,217)</u>	<u>(208,217)</u>	<u>(211,846)</u>	<u>(3,629)</u>
Other Financing Uses:				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total Other Financing Uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balances	(168,217)	(258,217)	(211,846)	46,371
Fund Balances - Beginning of Year	<u>496,400</u>	<u>496,400</u>	<u>496,400</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 328,183</u>	<u>\$ 238,183</u>	<u>\$ 284,554</u>	<u>\$ 46,371</u>

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ 75,000	\$ 14,915	\$ (60,085)
Total Revenues	<u>-</u>	<u>75,000</u>	<u>14,915</u>	<u>(60,085)</u>
Expenditures:				
Capital Outlay	<u>250,000</u>	<u>645,138</u>	<u>42,965</u>	<u>602,173</u>
Total Expenditures	<u>250,000</u>	<u>645,138</u>	<u>42,965</u>	<u>602,173</u>
Deficiency of Revenues Under Expenditures	<u>(250,000)</u>	<u>(570,138)</u>	<u>(28,050)</u>	<u>542,088</u>
Other Financing Sources:				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balances	-	(320,138)	221,950	542,088
Fund Balances - Beginning of Year	<u>321,895</u>	<u>321,895</u>	<u>321,895</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 321,895</u>	<u>\$ 1,757</u>	<u>\$ 543,845</u>	<u>\$ 542,088</u>

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 7,393	7,393	\$ 67,662	\$ 60,269
Total Revenues	<u>7,393</u>	<u>7,393</u>	<u>67,662</u>	<u>60,269</u>
Other Financing Uses:				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	-
Total Other Financing Uses	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	-
Net Change in Fund Balances	(92,607)	(92,607)	(32,338)	60,269
Fund Balances - Beginning of Year	<u>1,732,596</u>	<u>1,732,596</u>	<u>1,732,596</u>	-
Fund Balances - End of Year	<u>\$ 1,639,989</u>	<u>\$ 1,639,989</u>	<u>\$ 1,700,258</u>	<u>\$ 60,269</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,522,138	\$ 3,604,977	\$ 3,699,497	\$ 94,520
Intergovernmental	-	4,993,170	920,345	(4,072,825)
Charges for Services	298,664	298,664	4,406	(294,258)
Other	59	81,659	221,400	139,741
Total Revenues	<u>3,820,861</u>	<u>8,978,470</u>	<u>4,845,648</u>	<u>(4,132,822)</u>
Expenditures:				
Capital Outlay	3,375,000	14,376,637	3,112,937	11,263,700
Debt Service	445,861	445,861	445,859	2
Total Expenditures	<u>3,820,861</u>	<u>14,822,498</u>	<u>3,558,796</u>	<u>11,263,702</u>
Net Change in Fund Balances	-	(5,844,028)	1,286,852	7,130,880
Fund Balances - Beginning of Year	<u>5,889,628</u>	<u>5,889,628</u>	<u>5,889,628</u>	-
Fund Balances - End of Year	<u>\$ 5,889,628</u>	<u>\$ 45,600</u>	<u>\$ 7,176,480</u>	<u>\$ 7,130,880</u>

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, 2023

	Storm Water	Marina	Golf Course	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,321,160	\$ 42,645	\$ 381,181	\$ 1,744,986
Receivables:				
Accounts - billed (net)	133,444	1,878	-	135,322
Accounts - unbilled	70,299	-	-	70,299
Inventories	-	-	26,843	26,843
Prepaid items	-	-	2,500	2,500
Total Current Assets	<u>1,524,903</u>	<u>44,523</u>	<u>410,524</u>	<u>1,979,950</u>
Non-Current Assets:				
Capital Assets:				
Land and land rights	573,386	400	51,356	625,142
Buildings and improvements	10,647	25,388	474,690	510,725
Improvements other than buildings	5,800,989	631,849	1,369,742	7,802,580
Machinery and equipment	2,155,471	-	44,809	2,200,280
Accumulated depreciation	(3,377,833)	(645,322)	(1,304,609)	(5,327,764)
Construction in progress	1,873,243	-	-	1,873,243
Right to use Lease Assets:				
Lease asset	-	-	190,813	190,813
Lease accumulated amortization	-	-	(127,208)	(127,208)
Total Capital Assets	<u>7,035,903</u>	<u>12,315</u>	<u>699,593</u>	<u>7,747,811</u>
Total Non-Current Assets	<u>7,035,903</u>	<u>12,315</u>	<u>699,593</u>	<u>7,747,811</u>
Total Assets	<u>8,560,806</u>	<u>56,838</u>	<u>1,110,117</u>	<u>9,727,761</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to OPEB.	6,017	-	1,198	7,215
Total Deferred Outflows of Resources	<u>6,017</u>	<u>-</u>	<u>1,198</u>	<u>7,215</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	75,051	1,874	26,668	103,593
Accrued liabilities	4,948	683	3,722	9,353
Customer deposits	-	5,051	-	5,051
Lease liability	-	-	65,596	65,596
Compensated absences	1,515	-	546	2,061
Unearned revenue	-	-	22,252	22,252
Total Current Liabilities	<u>81,514</u>	<u>7,608</u>	<u>118,784</u>	<u>207,906</u>
Non-Current Liabilities:				
Total OPEB liability	19,298	-	3,840	23,138
Compensated absences	38,314	133	41,322	79,769
Total Non-Current Liabilities	<u>57,612</u>	<u>133</u>	<u>45,162</u>	<u>102,907</u>
Total Liabilities	<u>139,126</u>	<u>7,741</u>	<u>163,946</u>	<u>310,813</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to OPEB.	10,303	-	2,050	12,353
Total Deferred Inflows of Resources	<u>10,303</u>	<u>-</u>	<u>2,050</u>	<u>12,353</u>
NET POSITION				
Net investment in capital assets	7,008,480	12,315	633,996	7,654,791
Unrestricted	1,408,914	36,782	311,323	1,757,019
Total Net Position	<u>\$ 8,417,394</u>	<u>\$ 49,097</u>	<u>\$ 945,319</u>	<u>\$ 9,411,810</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, 2023

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,968,721	\$ 133,766	\$ 2,283,460	\$ 4,385,947
Other	1,202	101	6,378	7,681
Total Operating Revenues	1,969,923	133,867	2,289,838	4,393,628
Operating Expenses:				
Personnel services	718,209	71,833	487,758	1,277,800
Contractual services	281,316	15,169	595,737	892,222
Supplies	121,838	3,198	226,313	351,349
Repairs and maintenance	279,300	4,061	31,616	314,977
Utilities	14,178	25,814	55,048	95,040
Lease amortization	-	-	63,604	63,604
Depreciation	312,049	15,058	54,870	381,977
Total Operating Expenses	1,726,890	135,133	1,514,946	3,376,969
Operating Income (Loss)	243,033	(1,266)	774,892	1,016,659
Non-Operating Revenues (Expenses):				
Investment income	20,053	-	9,010	29,063
Intergovernmental - operating grants	1,493	-	-	1,493
Interest expense	-	-	(2,953)	(2,953)
Other revenue	1,050,000	-	-	1,050,000
Other expense	168	-	-	168
Total Non-Operating Revenues (Expenses)	1,071,714	-	6,057	1,077,771
Income (Loss) before Transfers	1,314,747	(1,266)	780,949	2,094,430
Transfers out	(156,639)	-	-	(156,639)
Change in Net Position	1,158,108	(1,266)	780,949	1,937,791
Net Position - Beginning of Year	7,259,286	50,363	164,370	7,474,019
Net Position - End of Year	\$ 8,417,394	\$ 49,097	\$ 945,319	\$ 9,411,810

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,952,929	\$ 133,465	\$ 2,293,195	\$ 4,379,589
Cash payments to suppliers	(822,857)	(47,552)	(948,513)	(1,818,922)
Cash payments to employees	(719,880)	(71,598)	(477,798)	(1,269,276)
Other revenue	1,050,000	-	-	1,050,000
Other expense	168	-	-	168
Net cash provided by operating activities	<u>1,460,360</u>	<u>14,315</u>	<u>866,884</u>	<u>2,341,559</u>
Cash flows from noncapital financing activities:				
Transfers out	(156,639)	-	-	(156,639)
Intergovernmental - operating grants	1,493	-	-	1,493
Interest paid	-	-	(2,953)	(2,953)
Payment on advance from other fund	-	-	(40,392)	(40,392)
Payment of cash on loans from other funds	-	-	(387,784)	(387,784)
Net cash used by noncapital financing activities	<u>(155,146)</u>	<u>-</u>	<u>(431,129)</u>	<u>(586,275)</u>
Cash flows from capital and related financing activities:				
Principal payments on lease	-	-	(63,584)	(63,584)
Acquisition and construction of capital assets	(350,400)	-	-	(350,400)
Net cash used for capital and related financing activities	<u>(350,400)</u>	<u>-</u>	<u>(63,584)</u>	<u>(413,984)</u>
Cash flows from investing activities:				
Interest on investments	20,053	-	9,010	29,063
Net cash provided by investing activities	<u>20,053</u>	<u>-</u>	<u>9,010</u>	<u>29,063</u>
Net increase in cash and cash equivalents	974,867	14,315	381,181	1,370,363
Cash and cash equivalents at beginning of year	<u>346,293</u>	<u>28,330</u>	<u>-</u>	<u>374,623</u>
Cash and cash equivalents at end of year	<u>\$ 1,321,160</u>	<u>\$ 42,645</u>	<u>\$ 381,181</u>	<u>\$ 1,744,986</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	<u>\$ 1,321,160</u>	<u>\$ 42,645</u>	<u>\$ 381,181</u>	<u>\$ 1,744,986</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 243,033	\$ (1,266)	\$ 774,892	\$ 1,016,659
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Other revenue	1,050,000	-	-	1,050,000
Other expense	168	-	-	168
Depreciation expense	312,049	15,058	54,870	381,977
Amortization expense	-	-	63,604	63,604
Change in assets and liabilities:				
Increase in accounts receivable - billed (net)	(14,041)	(402)	-	(14,443)
Increase in unbilled accounts receivable	(2,953)	-	-	(2,953)
Increase in inventories	-	-	(2,723)	(2,723)
(Increase) decrease in deferred outflow-OPEB	3,525	-	(106)	3,419
Decrease in accounts and contracts payable	(126,225)	(99)	(37,076)	(163,400)
Increase (decrease) in accrued liabilities	(2,573)	206	409	(1,958)
Increase in unearned revenue	-	-	3,357	3,357
Increase in customer deposits	-	789	-	789
Increase (decrease) in total OPEB liability	(5,362)	-	1,018	(4,344)
Increase in compensated absences	7,597	29	8,324	15,950
Increase (decrease) in deferred inflow-OPEB	(4,858)	-	315	(4,543)
Total adjustments	<u>1,217,327</u>	<u>15,581</u>	<u>91,992</u>	<u>1,324,900</u>
Net cash provided by operating activities	<u>\$ 1,460,360</u>	<u>\$ 14,315</u>	<u>\$ 866,884</u>	<u>\$ 2,341,559</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, 2023

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 81,843	\$ 368,849	\$ 450,692
Investments	-	467,856	467,856
Accounts receivable - interest	-	249	249
Inventories	21,916	-	21,916
Total Current Assets	<u>103,759</u>	<u>836,954</u>	<u>940,713</u>
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	624,790	190,024	814,814
Machinery and equipment	119,914	32,921	152,835
Accumulated depreciation	<u>(398,583)</u>	<u>(120,075)</u>	<u>(518,658)</u>
Total Non-Current Assets	<u>390,877</u>	<u>102,870</u>	<u>493,747</u>
Total Assets	<u>494,636</u>	<u>939,824</u>	<u>1,434,460</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	<u>2,399</u>	-	<u>2,399</u>
Total Deferred Outflows of Resources	<u>2,399</u>	-	<u>2,399</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	53,725	5,533	59,258
Accrued liabilities	3,220	-	3,220
Claims payable	-	17,454	17,454
Compensated absences	<u>2,141</u>	-	<u>2,141</u>
Total Current Liabilities	<u>59,086</u>	<u>22,987</u>	<u>82,073</u>
Non-Current Liabilities:			
Claims payable	-	340,181	340,181
Total OPEB liability	7,690	-	7,690
Compensated absences	<u>23,700</u>	-	<u>23,700</u>
Total Non-Current Liabilities	<u>31,390</u>	<u>340,181</u>	<u>371,571</u>
Total Liabilities	<u>90,476</u>	<u>363,168</u>	<u>453,644</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	<u>4,105</u>	-	<u>4,105</u>
Total Deferred Inflows of Resources	<u>4,105</u>	-	<u>4,105</u>
NET POSITION			
Investment in capital assets	374,844	102,870	477,714
Unrestricted	<u>27,610</u>	<u>473,786</u>	<u>501,396</u>
Total Net Position	<u>\$ 402,454</u>	<u>\$ 576,656</u>	<u>\$ 979,110</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,470,053	\$ 927,540	\$ 2,397,593
Other	-	6,000	6,000
Total Operating Revenues	<u>1,470,053</u>	<u>933,540</u>	<u>2,403,593</u>
Operating Expenses:			
Personnel services	448,716	-	448,716
Contractual services	15,139	51,765	66,904
Supplies	413,113	10,124	423,237
Repairs and maintenance	473,502	-	473,502
Utilities	1,050	-	1,050
Claims	-	160,005	160,005
Insurance	-	759,914	759,914
Depreciation	30,394	12,070	42,464
Total Operating Expenses	<u>1,381,914</u>	<u>993,878</u>	<u>2,375,792</u>
Operating Income (Loss)	<u>88,139</u>	<u>(60,338)</u>	<u>27,801</u>
Non-Operating Revenues:			
Investment income	-	22,603	22,603
Net change in fair value of investments	-	13,387	13,387
Total Non-Operating Revenues	<u>-</u>	<u>35,990</u>	<u>35,990</u>
Change in Net Position	88,139	(24,348)	63,791
Net Position - Beginning of Year	<u>314,315</u>	<u>601,004</u>	<u>915,319</u>
Net Position - End of Year	<u>\$ 402,454</u>	<u>\$ 576,656</u>	<u>\$ 979,110</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,470,899	\$ 933,540	\$ 2,404,439
Cash payments to suppliers	(914,146)	(984,035)	(1,898,181)
Cash payments to employees	(437,746)	-	(437,746)
Net cash provided (used) by operating activities	<u>119,007</u>	<u>(50,495)</u>	<u>68,512</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(273,408)	-	(273,408)
Net cash used by capital and related financing activities	<u>(273,408)</u>	<u>-</u>	<u>(273,408)</u>
Cash flows from investing activities:			
Interest on investments	-	22,603	22,603
Net cash provided by investing activities	<u>-</u>	<u>22,603</u>	<u>22,603</u>
Net decrease in cash and cash equivalents	(154,401)	(27,892)	(182,293)
Cash and cash equivalents at beginning of year	236,244	396,741	632,985
Cash and cash equivalents at end of year	<u>\$ 81,843</u>	<u>\$ 368,849</u>	<u>\$ 450,692</u>
Cash and cash equivalents classified as:			
Cash and cash equivalents	<u>\$ 81,843</u>	<u>\$ 368,849</u>	<u>\$ 450,692</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 88,139	\$ (60,338)	\$ 27,801
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	30,394	12,070	42,464
Change in assets and liabilities:			
Increase in inventories	(3,085)	-	(3,085)
Decrease in due from other governments	846	-	846
Decrease in deferred outflow-OPEB	1	-	1
Decrease in accounts and contracts payable	(8,257)	(14,162)	(22,419)
Decrease in accrued liabilities	(1,422)	-	(1,422)
Increase in claims payable	-	11,935	11,935
Increase in total OPEB liability	1,489	-	1,489
Increase in compensated absences	10,610	-	10,610
Increase in deferred inflow-OPEB	292	-	292
Total adjustments	<u>30,868</u>	<u>9,843</u>	<u>40,711</u>
Net cash provided (used) by operating activities	<u>\$ 119,007</u>	<u>\$ (50,495)</u>	<u>\$ 68,512</u>

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, 2023

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and cash equivalents	\$ 151,676	\$ 146,653	\$ -	\$ 298,329
Money market	-	1,001,500	-	1,001,500
Accounts receivable	-	3,628	-	3,628
Interest receivable	70,173	52,692	-	122,865
Prepaid expenses	-	2,000	-	2,000
Investments, at fair value:				
U.S. Government Securities	9,378,721	3,631,011	-	13,009,732
Municipals	-	270,759	-	270,759
Equities Common Stock	5,343,631	20,833,590	-	26,177,221
Mutual Funds	13,828,456	1,971,891	15,164,634	30,964,981
Corporate Bonds	1,319,091	1,582,127	-	2,901,218
Real Estate	-	3,518,152	-	3,518,152
Total Investments	<u>29,869,899</u>	<u>31,807,530</u>	<u>15,164,634</u>	<u>76,842,063</u>
Total Assets	<u>30,091,748</u>	<u>33,014,003</u>	<u>15,164,634</u>	<u>78,270,385</u>
Liabilities				
Accounts payable	<u>16,217</u>	<u>33,170</u>	-	<u>49,387</u>
Total Liabilities	<u>16,217</u>	<u>33,170</u>	-	<u>49,387</u>
Net Position				
Restricted for Pension Benefits	<u>\$ 30,075,531</u>	<u>\$ 32,980,833</u>	<u>\$ 15,164,634</u>	<u>\$ 78,220,998</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Additions:				
Contributions:				
Employer	\$ 745,207	\$ 480,000	\$ 1,133,103	\$ 2,358,310
Plan members	322,107	261,889	34,925	618,921
State of Florida	354,936	292,387	-	647,323
Total Contributions	<u>1,422,250</u>	<u>1,034,276</u>	<u>1,168,028</u>	<u>3,624,554</u>
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	2,317,668	2,797,346	1,009,487	6,124,501
Interest	397,080	301,280	584,586	1,282,946
Dividends	444,724	461,375	-	906,099
	<u>3,159,472</u>	<u>3,560,001</u>	<u>1,594,073</u>	<u>8,313,546</u>
Less Investment Expenses:				
Investment management fees	90,971	139,897	-	230,868
	<u>90,971</u>	<u>139,897</u>	<u>-</u>	<u>230,868</u>
Net Investment Income	<u>3,068,501</u>	<u>3,420,104</u>	<u>1,594,073</u>	<u>8,082,678</u>
Total Additions	<u>4,490,751</u>	<u>4,454,380</u>	<u>2,762,101</u>	<u>11,707,232</u>
Deductions:				
Benefits	1,617,433	1,670,803	778,107	4,066,343
Lump sum DROP distributions	919,176	267,645	-	1,186,821
Refunds of contributions	5,963	61,200	-	67,163
Administrative expense	73,098	81,313	41,304	195,715
Total Deductions	<u>2,615,670</u>	<u>2,080,961</u>	<u>819,411</u>	<u>5,516,042</u>
Change in Net Position	1,875,081	2,373,419	1,942,690	6,191,190
Net Position - Beginning of Year	<u>28,200,450</u>	<u>30,607,414</u>	<u>13,221,944</u>	<u>72,029,808</u>
Net Position - End of Year	<u>\$ 30,075,531</u>	<u>\$ 32,980,833</u>	<u>\$ 15,164,634</u>	<u>\$ 78,220,998</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, 2023

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,763,023	\$ 1,763,023	\$ -
Total Revenue	<u>1,763,023</u>	<u>1,763,023</u>	<u>-</u>
Expenditures:			
Salaries and Benefits	1,572,074	1,619,478	(47,404)
Operating Expenditures	<u>190,949</u>	<u>252,557</u>	<u>(61,608)</u>
Total Expenditures	<u>1,763,023</u>	<u>1,872,035</u>	<u>(109,012)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ (109,012)</u>	<u>\$ (109,012)</u>

1	EMS Funding FY 22-23 Received by Contractor	\$ 1,763,023
2	EMS Allowable Costs Incurred by Contractor	<u>1,872,035</u>
3	Difference (If Excess Revenues) Due to Pinellas County	<u>\$ (109,012)</u>

**CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 4,360,937	\$ 4,266,529	\$ (94,408)
SAFER Grant	72,000	63,278	(8,722)
Tarpon Springs Fire District Funds	451,203	444,109	(7,094)
Total Revenues	<u>4,884,140</u>	<u>4,773,916</u>	<u>(110,224)</u>
Expenditures:			
Salaries and Benefits	3,705,205	3,656,964	48,241
Operating Expenditures	1,068,362	1,006,380	61,982
Capital Outlay	110,573	110,572	1
Non-Operating	-	-	-
Total Expenditures	<u>4,884,140</u>	<u>4,773,916</u>	<u>110,224</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Fund - Fire Impacts			
Revenues:			
Fire Impact Fees	\$ 51,455	\$ 61,154	\$ 9,699
Interest	-	2,048	2,048
Total Revenues	<u>51,455</u>	<u>63,202</u>	<u>11,747</u>
Expenditures:			
Capital Outlay	<u>51,455</u>	-	<u>51,455</u>
Total Expenditures	<u>51,455</u>	-	<u>51,455</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 63,202</u>	<u>\$ 63,202</u>
Capital Project Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 1,507,197	\$ 488,984	\$ (1,018,213)
Tarpon Springs Fire District Funds	298,664	4,406	(294,258)
Total Revenues	<u>1,805,861</u>	<u>493,390</u>	<u>(1,312,471)</u>
Expenditures:			
Capital Outlay	<u>1,805,861</u>	493,390	1,312,471
Total Expenditures	<u>1,805,861</u>	<u>493,390</u>	<u>1,312,471</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total			
Total Revenues	<u>\$ 6,741,456</u>	<u>\$ 5,330,508</u>	<u>\$ (1,410,948)</u>
Total Expenditures	<u>6,741,456</u>	<u>5,267,306</u>	<u>1,474,150</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 63,202</u>	<u>\$ 63,202</u>
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 5,267,306	
2 Less: Other Revenues Received by Contractor		-	
3 Total Outlay by Contractor		<u>5,267,306</u>	
4 Pinellas County Percentage of District		9.27%	
5 Total Pinellas County Share (3 times 4)		<u>488,279</u>	
6 Pinellas County Paid to Contractor			
Fire District Funding FY 2023		<u>444,109</u>	
Total Pinellas County Paid to Contractor		<u>444,109</u>	
7 Total Due to Pinellas County (6 less 5), if negative none due		\$ (44,170)	



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, 2023
- 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				
	2014 *	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 45,090,304	\$ 48,199,096	\$ 49,600,615	\$ 51,456,378	\$ 52,391,186	\$ 53,407,457	\$ 53,925,231	\$ 53,188,924	\$ 52,011,729	\$ 54,458,119
Restricted	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	9,410,047	11,763,071
Unrestricted	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	7,505,051	4,568,482
Total governmental activities net position	<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>	<u>\$ 68,926,827</u>	<u>\$ 70,789,672</u>
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 67,632,821	\$ 70,544,832
Restricted	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	6,477,302	6,748,059
Unrestricted	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	11,376,314	10,075,252
Total business-type activities net position	<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>	<u>\$ 85,486,437</u>	<u>\$ 87,368,143</u>
Primary government:										
Net investment in capital assets	\$ 92,467,044	\$ 105,237,468	\$ 109,006,434	\$ 110,488,835	\$ 114,036,004	\$ 116,362,543	\$ 117,980,484	\$ 117,805,570	\$ 119,644,550	\$ 125,002,951
Restricted	18,880,817	17,132,341	16,027,318	15,098,362	15,508,119	14,662,898	12,420,218	14,861,583	15,887,349	18,511,130
Unrestricted	21,321,020	22,417,821	22,250,495	22,059,646	17,776,306	18,577,872	20,660,223	23,599,594	18,881,365	14,643,734
Total primary government net position	<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>	<u>\$ 154,413,264</u>	<u>\$ 158,157,815</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				
	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 3,017,621	\$ 3,194,628	\$ 3,432,723	\$ 3,700,268	\$ 4,132,160	\$ 4,433,507	\$ 5,070,370	\$ 4,801,604	\$ 5,830,147	\$ 5,868,292
Public safety	12,723,797	13,021,016	14,852,516	14,815,058	16,234,276	17,366,747	17,332,285	15,769,750	20,208,566	21,787,936
Physical environment	1,171,151	994,433	1,140,607	1,203,122	1,249,625	1,405,668	1,454,120	1,630,085	1,668,862	1,851,130
Transportation	2,315,266	2,267,686	2,313,101	2,352,119	2,391,884	2,496,389	2,570,621	2,596,468	2,596,111	2,783,840
Economic environment	457,145	452,117	531,483	582,470	619,513	493,953	530,288	562,146	667,111	706,423
Culture/recreation	4,002,625	4,083,635	4,239,363	4,502,297	4,650,379	4,607,221	4,581,598	4,549,677	4,903,586	5,309,190
Interest on long-term debt	3,526	-	-	-	-	-	45,378	22,194	62,440	89,084
Total governmental activities expenses	23,691,131	24,013,515	26,509,793	27,155,334	29,277,837	30,803,485	31,584,660	29,931,924	35,936,823	38,395,895
Business-type activities:										
Water/Sewer	11,328,461	12,745,072	12,912,634	13,765,541	13,781,438	14,398,298	15,150,903	15,728,538	16,886,955	18,423,572
Sanitation	3,892,966	4,106,003	4,335,007	4,748,340	6,147,368	4,955,865	5,373,320	5,496,705	6,313,399	7,696,310
Storm Water	835,943	1,003,463	1,057,100	1,322,226	1,395,324	1,362,896	1,356,409	1,549,181	1,691,095	1,726,722
Golf Course	1,111,819	1,257,698	1,369,316	1,233,795	1,269,051	1,414,414	1,291,991	1,330,592	1,541,882	1,517,899
Marina	92,019	109,403	113,616	113,877	117,932	123,057	130,439	143,807	126,952	135,133
Total business-type activities expenses	17,261,208	19,221,639	19,787,673	21,183,779	22,711,113	22,254,530	23,303,062	24,248,823	26,560,283	29,499,636
Total primary government expenses	\$ 40,952,339	\$ 43,235,154	\$ 46,297,466	\$ 48,339,113	\$ 51,988,950	\$ 53,058,015	\$ 54,887,722	\$ 54,180,747	\$ 62,497,106	\$ 67,895,531
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 643,467	\$ 657,837	\$ 699,323	\$ 727,516	\$ 723,489	\$ 654,759	\$ 690,067	\$ 690,081	\$ 446,829	\$ 522,474
Public safety	2,380,485	2,392,264	2,797,387	2,814,847	3,134,010	3,021,853	3,135,880	3,519,389	3,530,207	3,592,451
Physical environment	209,146	168,483	169,791	186,427	175,490	184,854	307,390	239,715	227,350	245,397
Transportation	-	-	-	-	-	20	-	-	20	-
Culture/recreation	423,844	356,468	330,104	463,927	591,274	494,045	162,003	181,429	356,409	402,111
Operating grants and contributions	917,380	708,400	606,237	701,467	1,207,794	916,476	916,385	1,122,397	808,278	974,435
Capital grants and contributions	375,687	386,754	774,297	306,924	690,902	381,656	1,137,225	438,118	861,467	2,049,736
Total governmental activities program revenues	4,950,009	4,670,206	5,377,139	5,201,108	6,522,959	5,653,663	6,348,950	6,191,129	6,230,560	7,786,604
Business-type activities:										
Charges for services:										
Water/Sewer	13,067,679	13,626,383	14,559,195	15,487,892	16,075,934	16,573,432	17,289,453	18,122,919	18,090,781	18,693,708
Sanitation	4,290,803	4,501,118	4,707,377	4,998,115	5,050,222	5,216,017	5,513,192	6,020,546	6,778,607	7,961,666
Storm Water	1,148,787	1,144,356	1,306,718	1,334,347	1,426,445	1,614,987	1,667,423	1,747,570	1,838,028	3,019,923
Golf Course	1,064,827	1,300,411	1,361,752	1,293,925	1,295,983	1,291,048	1,174,130	1,632,985	2,107,327	2,289,838
Marina	60,861	71,084	74,064	78,181	81,315	53,003	116,293	128,511	151,928	133,867
Operating grants and contributions	-	-	-	10,093	166,126	1,257,474	178,506	101,482	31,722	99,238
Capital grants and contributions	6,388,338	11,048,730	2,055,112	482,469	1,035,670	557,077	399,718	1,245,982	446,605	333,263
Total business-type activities program revenues	26,021,295	31,692,082	24,064,218	23,685,022	25,131,695	26,563,038	26,338,715	28,999,995	29,444,998	32,531,503
Total primary government program revenues	\$ 30,971,304	\$ 36,362,288	\$ 29,441,357	\$ 28,886,130	\$ 31,654,654	\$ 32,216,701	\$ 32,687,665	\$ 35,191,124	\$ 35,675,558	\$ 40,318,107

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

	Fiscal Year					Fiscal Year				
	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (18,741,122)	\$ (19,343,309)	\$ (21,132,654)	\$ (21,954,226)	\$ (22,754,878)	\$ (25,149,822)	\$ (25,235,710)	\$ (23,740,795)	\$ (29,706,263)	\$ (30,609,291)
Business-type activities	8,760,087	12,470,443	4,276,545	2,501,243	2,420,582	4,308,508	3,035,653	4,751,172	2,884,715	3,031,867
Total primary government net expense	\$ (9,981,035)	\$ (6,872,866)	\$ (16,856,109)	\$ (19,452,983)	\$ (20,334,296)	\$ (20,841,314)	\$ (22,200,057)	\$ (18,989,623)	\$ (26,821,548)	\$ (27,577,424)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 6,972,982	\$ 7,378,995	\$ 7,828,030	\$ 8,286,893	\$ 8,903,816	\$ 9,437,667	\$ 9,955,730	\$ 10,563,392	\$ 11,303,671	\$ 12,888,797
Property - TIF	135,007	151,086	165,527	185,586	203,895	238,881	244,654	276,100	311,256	357,509
Utility	2,796,901	2,778,970	2,896,032	2,963,184	3,045,339	3,246,311	3,425,760	3,509,721	3,663,352	3,950,606
Communication service	1,024,720	967,373	940,076	919,582	937,774	884,958	887,536	883,221	920,758	971,830
Half-cent sales	1,372,185	1,450,989	1,522,938	1,542,364	1,599,644	1,661,161	1,581,655	1,851,893	2,097,683	2,141,230
Local option gas	301,389	312,407	321,439	324,217	333,801	339,385	305,692	318,785	323,104	327,212
Local option sales	1,987,731	2,139,530	2,250,231	2,313,011	2,450,847	2,578,452	2,618,770	3,134,052	3,635,922	3,699,497
Local business (A)	162,355	161,021	161,569	160,636	141,876	151,605	138,677	147,305	110,952	122,267
Other	57,011	57,623	59,348	63,893	61,185	60,389	62,846	63,848	71,620	67,406
Franchise fees (A)	1,765,945	1,777,207	1,666,479	1,649,933	1,768,138	1,887,605	1,820,718	2,007,395	2,126,775	2,473,730
State revenue sharing	708,168	763,051	787,803	834,871	863,397	903,617	836,459	980,405	1,232,188	1,264,001
Investment income	173,212	304,826	269,278	207,753	208,846	768,522	432,880	40,194	(834,461)	1,953,838
Miscellaneous	867,571	509,088	284,976	209,878	344,919	319,833	1,027,184	336,612	309,504	357,267
Transfers	951,553	1,040,510	1,055,277	1,253,344	1,416,062	1,711,753	1,904,161	2,019,387	2,146,651	1,896,946
Total governmental activities	19,276,730	19,792,676	20,209,003	20,915,145	22,279,539	24,190,139	25,242,722	26,132,310	27,418,975	32,472,136
Business-type activities:										
Investment income	199,643	239,449	199,000	153,778	148,401	645,812	319,108	82,522	(304,259)	746,785
Transfers	(951,553)	(1,040,510)	(1,055,277)	(1,253,344)	(1,416,062)	(1,711,753)	(1,904,161)	(2,019,387)	(2,146,651)	(1,896,946)
Total business-type activities	(751,910)	(801,061)	(856,277)	(1,099,566)	(1,267,661)	(1,065,941)	(1,585,053)	(1,936,865)	(2,450,910)	(1,150,161)
Total primary government	\$ 18,524,820	\$ 18,991,615	\$ 19,352,726	\$ 19,815,579	\$ 21,011,878	\$ 23,124,198	\$ 23,657,669	\$ 24,195,445	\$ 24,968,065	\$ 31,321,975
Change in Net Position										
Governmental activities	\$ 535,608	\$ 449,367	\$ (923,651)	\$ (1,039,081)	\$ (475,339)	\$ (959,683)	\$ 7,012	\$ 2,391,515	\$ (2,287,288)	\$ 1,862,845
Business-type activities	8,008,177	11,669,382	3,420,268	1,401,677	1,152,921	3,242,567	1,450,600	2,814,307	433,805	1,881,706
Total primary government	\$ 8,543,785	\$ 12,118,749	\$ 2,496,617	\$ 362,596	\$ 677,582	\$ 2,282,884	\$ 1,457,612	\$ 5,205,822	\$ (1,853,483)	\$ 3,744,551

* 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				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 346,049	\$ 347,936	\$ 372,891	\$ 379,224	\$ 380,997	\$ 371,262	\$ 206,381	\$ 868,023	\$ 91,020	\$ 176,772
Restricted	264,696	254,281	196,191	192,379	244,990	302,388	449,355	408,595	240,722	319,821
Committed	2,626,978	2,761,515	2,860,248	2,606,310	2,698,797	2,467,081	1,409,763	1,670,606	1,562,924	1,392,428
Assigned	4,666,200	3,502,247	2,493,910	2,058,525	2,018,619	2,661,208	4,094,040	3,402,979	3,820,063	4,240,202
Unassigned	8,872,797	8,820,443	8,820,443	8,562,911	8,834,948	8,819,109	8,577,559	8,772,084	8,668,820	8,717,784
Total general fund	<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>	<u>\$ 14,383,549</u>	<u>\$ 14,847,007</u>
All Other Governmental Funds										
Nonspendable	\$ 2,871,358	\$ 2,694,108	\$ 2,511,158	\$ 2,322,086	\$ 2,129,503	\$ 2,002,798	\$ -	\$ -	\$ -	\$ -
Restricted	9,095,312	7,471,368	7,445,756	6,419,795	6,196,798	5,370,510	5,992,915	7,445,299	9,075,546	11,244,562
Committed	432,353	434,017	337,974	340,959	257,795	191,051	2,053,732	2,055,147	1,849,036	1,822,208
Unassigned	(22,406)	-	-	-	-	-	-	-	(16,072)	-
Total all other governmental funds	<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>	<u>\$ 10,908,510</u>	<u>\$ 13,066,770</u>
Total Fund Balance All Governmental Funds	<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>	<u>\$ 25,292,059</u>	<u>\$ 27,913,777</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				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 13,246,078	\$ 13,738,296	\$ 14,397,377	\$ 14,967,524	\$ 15,813,454	\$ 16,638,380	\$ 17,332,165	\$ 18,556,477	\$ 19,957,760	\$ 21,960,209
Licenses, permits and fees	2,769,747	2,368,714	2,433,841	2,378,297	3,094,150	2,529,193	3,010,676	3,047,913	2,961,788	3,434,034
Intergovernmental	2,880,488	2,872,827	3,469,094	3,201,918	3,703,583	3,748,511	3,931,414	4,290,143	4,905,001	6,408,859
Charges for services	2,174,865	2,624,418	2,662,086	3,091,045	3,125,487	3,127,683	2,932,150	3,043,912	3,474,879	3,646,118
Fines and forfeitures	160,649	128,387	249,628	86,240	265,358	211,963	167,947	310,282	215,973	75,570
Other	1,205,617	1,659,084	1,328,446	1,120,535	1,361,333	1,755,721	2,338,589	1,144,079	27,550	2,801,014
Total Revenues	<u>22,437,444</u>	<u>23,391,726</u>	<u>24,540,472</u>	<u>24,845,559</u>	<u>27,363,365</u>	<u>28,011,451</u>	<u>29,712,941</u>	<u>30,392,806</u>	<u>31,542,951</u>	<u>38,325,804</u>
Expenditures										
General government	2,788,106	2,970,399	3,009,776	3,204,654	3,495,939	3,818,917	4,480,622	4,248,303	4,960,414	6,417,791
Public safety	11,882,838	12,528,332	12,997,966	12,981,317	13,924,148	14,678,798	15,153,117	15,712,363	16,766,467	17,646,811
Physical environment	1,047,300	875,078	972,368	1,032,214	1,049,206	1,202,198	1,264,676	1,449,964	1,449,058	1,654,285
Transportation	1,126,516	1,046,882	1,056,737	1,035,593	1,104,129	1,211,594	1,241,641	1,258,061	1,237,530	1,427,562
Economic environment	253,750	245,914	320,472	388,246	425,271	302,268	338,645	373,348	646,990	475,107
Culture & recreation	3,527,733	3,542,855	3,649,825	3,881,670	3,959,979	3,913,130	3,883,959	3,851,729	4,139,924	4,662,024
Capital outlay	3,381,973	6,090,198	4,861,649	5,731,591	4,940,497	5,173,339	5,511,297	3,439,838	4,107,529	5,901,227
Debt service										
Interest	3,526	-	-	-	-	-	38,928	22,857	63,777	-
Principal	146,000	-	-	-	-	-	200,671	216,742	461,943	670,763
Total expenditures	<u>24,157,742</u>	<u>27,299,658</u>	<u>26,868,793</u>	<u>28,255,285</u>	<u>28,899,169</u>	<u>30,300,244</u>	<u>32,113,556</u>	<u>30,573,205</u>	<u>33,833,632</u>	<u>38,855,570</u>
Excess of revenues over (under) expenditures	(1,720,298)	(3,907,932)	(2,328,321)	(3,409,726)	(1,535,804)	(2,288,793)	(2,400,615)	(180,399)	(2,290,681)	(529,766)
Other Financing Sources (Uses)										
Land sale	802,669	-	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	1,094,792	-	1,053,356	1,254,538
Transfers in	1,554,926	1,402,510	1,644,613	1,699,548	1,978,184	2,277,599	2,732,739	2,369,387	2,629,499	2,346,946
Transfers out	(361,000)	(362,000)	(563,636)	(446,204)	(562,122)	(565,846)	(828,578)	(350,000)	(722,848)	(450,000)
Total other financing sources (uses)	<u>1,996,595</u>	<u>1,040,510</u>	<u>1,080,977</u>	<u>1,253,344</u>	<u>1,416,062</u>	<u>1,711,753</u>	<u>2,998,953</u>	<u>2,019,387</u>	<u>2,960,007</u>	<u>3,151,484</u>
Net change in fund balances	<u>\$ 276,297</u>	<u>\$ (2,867,422)</u>	<u>\$ (1,247,344)</u>	<u>\$ (2,156,382)</u>	<u>\$ (119,742)</u>	<u>\$ (577,040)</u>	<u>\$ 598,338</u>	<u>\$ 1,838,988</u>	<u>\$ 669,326</u>	<u>\$ 2,621,718</u>
Debt service as a percentage of noncapital expenditures	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%	1.8%	2.0%

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
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
2022	11,303,671	2,126,776	3,663,352	920,759	110,953	3,959,026	22,084,537
2023	12,888,798	2,473,730	3,950,606	971,830	122,268	4,026,709	24,433,941
Change 2014 - 2023	84.8%	40.1%	41.2%	-5.2%	-24.7%	75.9%	62.8%

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		
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%
2022	2,069,830,502	378,635,092	85,197,579	297,871,235	2,831,534,408	732,615,591	2,098,918,817	97,609,465	15,831,085	81,778,380	2,929,143,873	748,446,676	2,180,697,197	5.3700	25.55%
2023	2,350,570,695	414,308,967	96,277,338	325,500,950	3,186,657,950	785,007,962	2,401,649,988	99,987,715	16,496,374	83,491,341	3,286,645,665	801,504,336	2,485,141,329	5.3700	24.39%
Change															
2014 - 2023	85%	54%	82%	54%	77%	43%	92%	30%	21%	32%	75%	43%	89%	-1%	

Source: Pinellas County Property Appraiser.

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

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	
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
2022	266,801,983	87,026,581	177,631,367	159,232,150	10,175,824	-	31,747,686	732,615,591	370,906	7,139,102	8,304,245	16,832	15,831,085	748,446,676
2023	291,501,230	104,308,001	179,360,908	163,360,269	10,677,176	-	35,800,378	785,007,962	340,709	7,791,553	8,285,348	78,764	16,496,374	801,504,336

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)	
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
2022	5.3700	6.3250	5.2092	.7500	.9158	1.1666	19.7366
2023	5.3700	5.9630	4.8188	.7500	.8775	1.0978	18.8771

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

B) County includes:

General Fund	4.7398
Mosquito Control	0.0000
Health Department	0.0790
	<u>4.8188</u>

C) Other includes:

Pinellas County Planning Council	0.0210
Juvenile Welfare Board	0.8508
SW Florida Water Mgt. District	0.2260
	<u>1.0978</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	2023			2014		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
FRMF Pinellas LLC	\$ 55,800,000	1	2.25%	\$ -	-	-
Centro N P Tarpon Mall LLC	21,021,000	2	0.85%	17,885,000	1	1.36%
Sun Valley Venture LLC	18,000,000	3	0.72%	-	-	-
Meadows Venture LLC	17,250,000	4	0.69%	-	-	-
Wal-Mart Stores East LP	14,117,464	5	0.57%	6,425,000	5	0.49%
FL Tarpon Square H A LLC	12,507,000	6	0.50%	9,358,017	3	0.71%
Lowes Home Centers LLC	11,754,488	7	0.47%	-	-	-
Tarpon Springs Storage Owner LLC	10,700,000	8	0.43%	-	-	-
Lime Street Properties Inc	9,370,240	9	0.38%	5,100,000	9	0.39%
Storage Trust Group	9,202,000	10	0.37%	-	-	-
Riverside Partners LTD/Apartments	-	-	-	11,125,000	2	0.85%
Shamrock Millco-Sun Valley LLC	-	-	-	8,250,000	4	0.63%
River Site LLC - St. Lukes Clinic	-	-	-	6,155,826	6	0.47%
CRP II - Tarpon Springs LLC	-	-	-	6,007,635	7	0.46%
Turtle Cove Group LLC	-	-	-	5,948,493	8	0.45%
Tarpon Springs, City of	-	-	-	4,940,349	10	0.38%
TOTAL	\$ 179,722,192		7.23%	\$ 81,195,320		6.19%

A) Percentages are based on the total assessed value of \$ 2,485,141,329

B) Percentages are based on the total assessed value of \$ 1,315,986,557

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	2023			2014		
	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)	\$ 23,436,505	1	0.94%	\$ 15,539,094	1	1.18%
Frontier CommunicationsVerizon Florida LLC	6,760,632	2	0.27%	-	-	-
Southern Road & Bridge LLC	4,342,287	3	0.17%	-	-	-
Herc Rentals Inc	3,703,059	4	0.15%	-	-	-
Spectrum Sunshine State LLC	3,017,707	5	0.12%	-	-	-
Lowe's of Tarpon Springs	2,855,746	6	0.11%	-	-	-
St Lukes Cataract & Laser Inst. Inc	2,588,687	7	0.10%	2,319,736	5	0.18%
Karl Flammer Ford	1,886,750	8	0.08%	-	-	-
T-Mobile South LLC	1,410,993	9	0.06%	876,696	10	0.07%
Publix Supermarket	1,262,017	10	0.05%	-	-	-
Verizon Florida LLC	-	-	-	8,026,887	2	0.61%
Bright House Networks LLC	-	-	-	3,276,062	3	0.25%
Wal-Mart Stores East LP	-	-	-	2,795,620	4	0.21%
Magnegas Corporation	-	-	-	1,549,769	6	0.12%
Sweetbay Supermarket	-	-	-	1,430,736	7	0.11%
Hertz Equip Rental Corp	-	-	-	1,400,272	8	0.11%
St Lukes Surgical Center Inc	-	-	-	1,061,078	9	0.08%
TOTAL	\$ 51,264,383		2.05%	\$ 38,275,950		2.92%

A) Percentages are based on the total assessed value of \$ 2,485,141,329

B) Percentages are based on the total assessed value of \$ 1,315,986,557

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
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%	17,121	8,274,897	96.81%
2018	9,204,337	8,883,785	96.52%	14,695	8,898,480	96.68%
2019	9,773,060	9,425,095	96.44%	17,952	9,443,047	96.62%
2020	10,292,431	9,918,870	96.37%	17,477	9,936,347	96.54%
2021	10,924,456	10,536,547	96.45%	12,160	10,548,707	96.56%
2022	11,724,099	11,292,498	96.32%	9,566	11,302,064	96.40%
2023	13,345,210	12,876,074	96.48%	7,469	12,883,543	96.54%

A) These amounts are net of discounts taken.

B) Delinquent taxes are allocated each Fiscal Year for the applicable Fiscal Year .

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	Financed Purchase	Lease Liability	SBITA Liability	Revenue Bonds	Grant Anticipation Note	Lease Liability			
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
2022	-	1,146,501	827,690	-	28,875,486	-	129,180	30,978,857	2.06%	1,203
2023	-	750,237	813,586	1,079,311	27,830,128	-	65,596	30,538,858	1.88%	1,185

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> <u>General Obligation Bonds</u>	<u>Revenue Note</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Real Property (A)</u>	<u>Per Capita (B)</u>
2014	\$ -	\$ -	\$ -	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The Revenue Note is not General Bonded Debt, it is listed for informational purposes on Governmental Debt outstanding.

- A) See Schedule 6 for property value data.
- B) See Schedule 15 for population data.

City of Tarpon Springs, Florida
Schedule 12
Direct and Overlapping Governmental Activities Debt,
As of September 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (A)	Estimated Share of Overlapping Debt
Pinellas County Bonds/Notes	\$ 2,099,669	2.24%	\$ 47,033
Pinellas County Capital Leases	31,298,003	2.24%	701,075
Pinellas County SBITA	4,188,234	2.24%	93,816
Pinellas County School District Certificates of Participation	127,415,947	2.24%	2,854,117
Pinellas County School District Leases	5,093,401	2.24%	114,092
Subtotal, overlapping debt			3,810,134
City direct debt - Finance Purchased, Leases and SBITA	2,643,134	100.00%	2,643,134
Total direct and overlapping debt			\$ 6,453,268

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$2,485,141,329/\$110,826,846,451).

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 2023	
Assessed value (A)	2,485,141,329
Debt limit (100% of total assessed value) (B)	<u>\$ 2,485,141,329</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	-
Financed Purchase	750,237
Lease Liability	813,586
SBITA Liability	<u>1,079,311</u>
Total net debt applicable to limit	<u>2,643,134</u>
Legal debt margin	<u><u>2,482,498,195</u></u>

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit (B)	\$ 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	\$ 2,180,697,197	\$ 2,485,141,329
Total net debt applicable to limit (C)	-	-	-	-	-	-	894,121	677,378	1,146,501	2,643,134
Legal debt margin (B)	\$ 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	\$ 2,179,550,696	\$ 2,482,498,195
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	0.05%	0.11%

- 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 (A)	Less: Operating Expenses (B)	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2014	\$ 13,327,366	\$ 8,823,343	\$4,504,023	\$ -	\$ 873,784	\$ 873,784	5.15
2015	13,858,647	9,403,297	4,455,350	790,000	1,306,356	2,096,356	2.13
2016	14,803,807	8,073,401	6,730,406	820,000	1,223,312	2,043,312	3.29
2017	15,779,350	8,568,453	7,210,897	850,000	1,193,013	2,043,013	3.53
2018	16,869,252	8,649,025	8,220,227	880,000	1,161,563	2,041,563	4.03
2019	17,120,552	9,049,227	8,071,325	915,000	1,129,013	2,044,013	3.95
2020	17,670,251	9,656,986	8,013,265	940,000	1,101,563	2,041,563	3.93
2021	18,439,244	10,028,469	8,410,775	975,000	1,070,563	2,045,563	4.11
2022	18,338,204	11,306,859	7,031,345	995,000	1,050,063	2,045,063	3.44
2023	19,302,358	12,698,660	6,603,698	1,025,000	1,016,113	2,041,113	3.24
A)	Includes interest earnings (net of unrealized gain or loss) and gross revenues of the Water and Sewer Fund and 100% of water impact fees.						
B)	Excludes depreciation and contributions to the General Fund for administrative expenses.						

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>
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%
2022	25,752	1,502,063	58,328	53.3	6,777	2.6%
2023	25,764	1,622,746	62,985	52.5	6,701	2.7%

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	2023		2014	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	4,000	1	3,500	1
Home Shopping Club	2,000	2	2,800	2
Tech Data Corp.	2,000	3	1,500	7
Spectrum	2,000	4	-	-
Fidelity Information Services	1,500	5	1,800	4
The Nielsen Company	1,500	6	1,800	5
Jabil Circuit, Inc.	1,500	7	1,600	6
Honeywell Aerospace	1,500	8	1,500	8
Valpak	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Bright House Networks	-	-	2,000	3
ThinkDirect Marketing Group	-	-	1,000	9
Ceridian Benefit Services	-	-	1,000	10
TOTAL	18,500		18,500	

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
General government	29.80	29.80	31.10	32.10	32.77	33.77	34.77	35.77	37.17	37.46
Public safety	106.00	106.00	111.00	114.00	117.36	119.20	120.10	121.10	121.60	124.60
Physical environment	13.20	12.45	11.65	12.65	11.40	11.40	11.40	11.40	13.40	13.40
Transportation	9.30	8.40	8.40	8.40	8.40	8.40	8.40	8.50	8.50	8.50
Economic Environment	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Culture/recreation	36.45	38.40	36.65	36.65	38.95	38.95	38.95	38.95	39.15	42.15
Water/Sewer	59.55	60.27	73.07	73.82	74.73	75.09	79.12	81.12	85.02	87.54
Sanitation	7.60	8.40	7.40	7.40	7.55	7.55	8.55	8.55	8.55	8.55
Stormwater	8.25	8.43	7.93	7.93	8.59	8.59	8.66	8.56	8.56	8.75
Golf Course	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Marina	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Total	278.00	281.00	296.25	302.00	308.80	312.00	319.00	323.00	331.00	340.00

Source: City Budget documents.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Public safety										
Police										
Arrests	1,008	1,008	1,048	961	984	1,424	1,049	686	670	796
Parking violations	341	217	125	303	269	150	140	148	273	113
Citations	2,570	1,981	1,852	2,125	2,125	1,979	1,430	1,828	1,354	1,144
Fire/EMS										
Fire calls	45	68	77	227	61	71	68	67	47	69
EMS calls	3,377	3,518	3,852	3,970	4,016	3,998	4,358	4,625	4,872	4,524
False alarms	195	199	223	247	201	188	182	198	215	226
Culture/recreation										
Community center attendance	13,211	13,695	25,881	32,328	33,980	31,641 A	12,532	11,098	13,458	14,641
Leagues	12	9	7	7	7	8	4	7	11	12
Library-circulation	287,558	287,797	264,140	246,149	229,706	233,973	254,744	202,384	178,295	173,824
Library-materials	100,734	92,341	99,715	96,242	95,289	96,594	99,611	90,118	91,382	88,323
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,602	2,513	2,525	2,493	2,405	2,839	2,892	2,930	3,079	3,167
Sewer										
Annual average daily flow (thousands of gallons)	1,870	1,950	2,140	2,070	1,970	2,100	2,000	2,020	1,920	1,650
Golf Course										
Rounds of golf played	40,320	48,091	47,194	47,184	44,317	39,311	41,894	55,192	62,363	65,742

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

A Community Center attendance and leagues down due to COVID 19 in FY 2020 and FY 2021

Source: City Departments

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	3	3	3	3	3	3	3
Transportation										
Streets paved	95.5	95.5	96.6	107.0	118	118.4	118.4	118.4	170.4	170.4
Streets unpaved	1.0	1.0	1.0	4.8	3.5	3.6	3.6	3.6	0.1	0.1
Culture/recreation										
Parks acreage	435.56	435.56	435.56	435.56	435.56	435.56	435.64	435.64	436	436
Playgrounds	18	18	19	19	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	10	10
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	146	157	168	175	180.2	180.2	180.2	181.4	182.5
Sanitary sewer mains/miles	84.0	88.8	93.7	101.0	102.7	104.2	106.0	106.0	106.6	106.9
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	21	21	19	19	19	19

Sources: City Departments

*Updated figures for Streets paved and unpaved to include private, county & FDOT streets within the City.



**REPORTS OF INDEPENDENT AUDITORS/
COMPLIANCE SECTION**

CITY OF TARPON SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2023

Federal/Program Title	Assistance Listing Number	Federal or Pass-through Grant Number	Expenditures
<u>Federal Awards</u>			
U. S. Department of Justice			
Equitable Sharing Agreement	16.000	FL0521800	\$ 80,033
Bureau of Justice Assistance			
Bulletproof Vests Partnership Program	16.607		6,776
Office of Justice Programs			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program			
City of Tarpon Springs Scanner	16.738	JAG-C-8C127	40,873
State of Florida			
<i>Passed-Through State of Florida, Florida Department of Transportation</i>			
Local Agency Program			
Tarpon Avenue from S. Huey Avenue to US Hwy 19	20.205	FPN: 443580 1 58/68 01	814,830
U.S Department of the Treasury			
<i>Passed-Through State of Florida, Florida Division of Emergency Management</i>			
American Rescue Plan Act	21.027	Y5304	926,227
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
<i>Passed-Through State of Florida, Florida Division of Emergency Management</i>			
<i>Executive Office of the Governor (Presidentially Declared Disasters)</i>			
Public Assistance Program			
Hurricane Ian	97.036	FEMA-4673-DE-FL	18,452
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Grants Programs Directorate			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF-00089	<u>63,278</u>
Total Expenditures of Federal Awards			\$ <u><u>1,950,469</u></u>

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City"), as of and for the year ended September 30, 2023, 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, 2024.

Report on 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 purpose of expressing our opinion 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida
March 28, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Tarpon Springs, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 28, 2024

CITY OF TARPON SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented 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

Internal control over major federal programs:
Material weaknesses identified?

___ yes X no

Significant deficiencies identified not considered to be material weaknesses?

___ yes X none reported

Type of auditor's report issued on compliance for major federal programs?

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ yes X no

Assistance Listing Number

Name of Federal Program or Cluster

20.205

Highway Planning and Construction

21.027 – COVID-19

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs:

\$750,000

Auditee qualified as low-risk auditee?

___ yes X no

State Financial Assistance Projects

There was not an audit of major state financial assistance projects as of September 30, 2023 due to the total amount expended being less than \$750,000.

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, and have issued our report thereon dated March 28, 2024.

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; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 28, 2024, 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. This information 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 for the City. 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 review of financial information provided by 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 determined that all special district component units provided 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, requires 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 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, 2024



INDEPENDENT ACCOUNTANT'S REPORT

To the 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, 2023. 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 judgment, 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.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

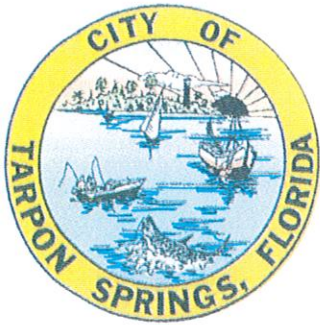
In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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, 2024

Other Compliance Reports



*City of Tarpon Springs,
Florida*

City of Tarpon Springs
Section 163.31801 Compliance

Affidavit

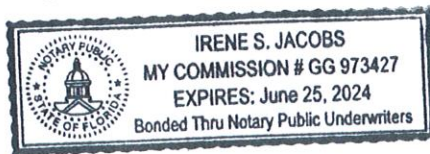
As Finance Director of the City of Tarpon Springs, my signature below indicates that the City of Tarpon Springs has complied with “Section 163.31801 – Impact fees” of the Florida Statutes for the fiscal year ending September 30, 2023.

Finance Director
City of Tarpon Springs, Florida

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this March 27, 2024,
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)

