

City of Tarpon Springs, Florida



"Sunset Beach"

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2020



CITY OF TARPON SPRINGS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2020

MAYOR AND BOARD OF COMMISSIONERS

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

ADMINISTRATION

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

Prepared by the City of Tarpon Springs Finance Department

CITY OF TARPON SPRINGS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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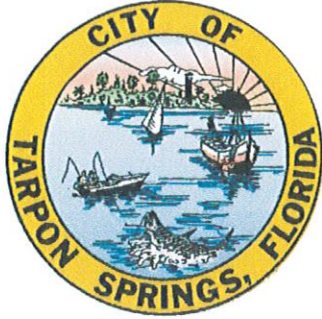


INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart



City of Tarpon Springs, Florida

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

March 31, 2021

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

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Tarpon Springs, Florida (the "City") for the Fiscal Year ended September 30, 2020.

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, 2020 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, 2020, 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 25,937. The City of Tarpon Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Mayor and Board of Commissioners.

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

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

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

Factors Affecting Financial Condition

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

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

The economic condition of the area during the past few years was declining or stagnant at best, the last couple of years saw improvements. FY 2020 was challenging with the onset of COVID 19, the City experienced revenue losses in sales taxes, and cultural and recreation fees. The City also experienced additional expenditures related to COVID 19. At the onset of COVID 19 management directed departments to monitor their expenditures and not have any unnecessary expenditures. With limiting unnecessary expenditures and the potential for COVID 19 expenditure reimbursement funding the City experienced a slight decrease in fund balance. The budget for FY 2021 was projected with sales tax declines but with COVID 19 cases leveling off and vaccinations being provided the economic conditions for fiscal year 2021 will hopefully stabilize. Property tax valuations and property tax revenues have increased the past couple of years and are anticipated to increase in FY 2021. 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.

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, 2020 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. Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs.

During Fiscal Year 2020, the average cash/investment pool balance was \$44,858,943 and the total annual earnings net of all bank charges was \$683,685 giving an average rate of return of 1.52% on the average balance.

Debt Administration. At September 30, 2020, the City had total outstanding bonds payable of \$30,600,000 representing the Utility System Revenue Bond Series 2013A. The City also had total outstanding capital lease payable of \$894,121 representing the fire ladder truck. For further details regarding the City's outstanding debt, please see Note III-F in the Notes to the Financial Statements.

The computation of the legal debt margin, which is indicated in the City's Comprehensive Plan, indicates a very low proportion of indebtedness at September 30, 2020 relative to property values at January 1, 2020 (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, 2020 increased to \$129,138, insurance premiums increased which caused a decrease in the change in net position of \$133,802 with a corresponding decrease in total Net Position to \$1,211,874 as of September 30, 2020. For further information, please see Note IV-A in the Notes to the Financial Statements.

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

Pension and Other Post-employment Benefits. The General Employees', Police Officers', and Firefighters' pension plans are self-administered by their own separate Boards of Trustees. City contributions for the year were \$890,742, \$487,500 and \$797,111 respectively. The City contributions for the Police Officers' and Firefighters' Defined Benefit pension plans were in accordance with actuarially determined funding requirements. In addition, the Police Officers' and Firefighters' pension plans are partially funded from excise taxes on certain insurance premiums covering property in Tarpon Springs, collected by the State and remitted to the City. The Police Officers and Firefighters contribute to their pension plans. The General Employees do not contribute to their pension, which is a Defined Contribution Plan administered by ICMA-RC (International City/County Management Association Retirement

Corporation). For further information regarding these pension plans please see Note IV-G in the Notes to the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tarpon Springs, Florida for its comprehensive annual financial report (CAFR) for the Fiscal Year ended September 30, 2019. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

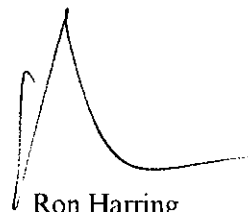
In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

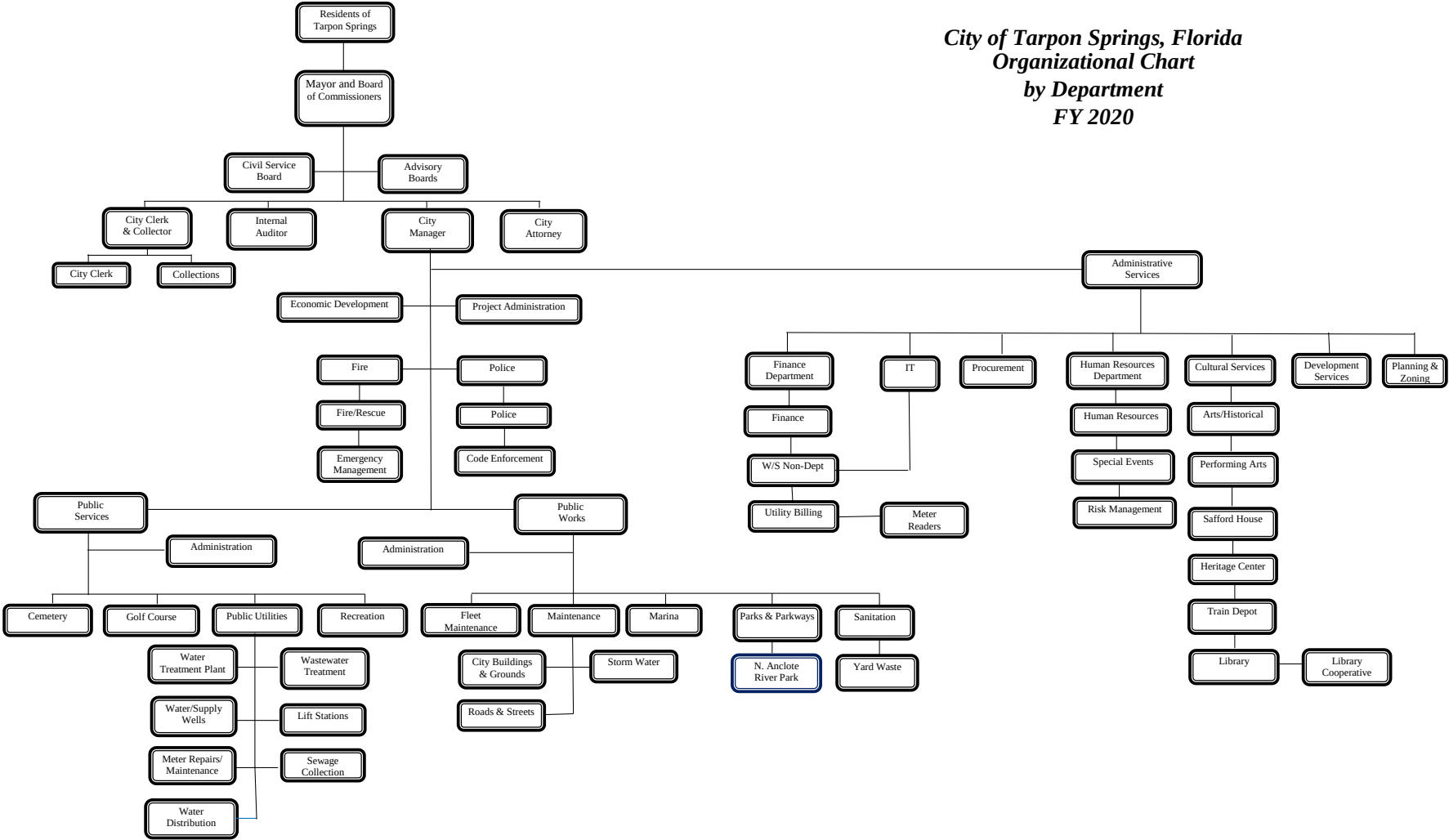
September 30, 2019

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART

City of Tarpon Springs, Florida
Organizational Chart
by Department
FY 2020





FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information other than MD & A

Combining and Individual Fund Statements and Schedules

Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and the Community Redevelopment Agency Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-3 through B-15, schedules of net pension liability and related ratios, schedules of contributions, schedule of pension investment returns, and schedule of the City's total OPEB liability and related ratios on pages B-86 through B-91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Bradenton, Florida
March 30, 2021

Mauldin & Jenkins, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

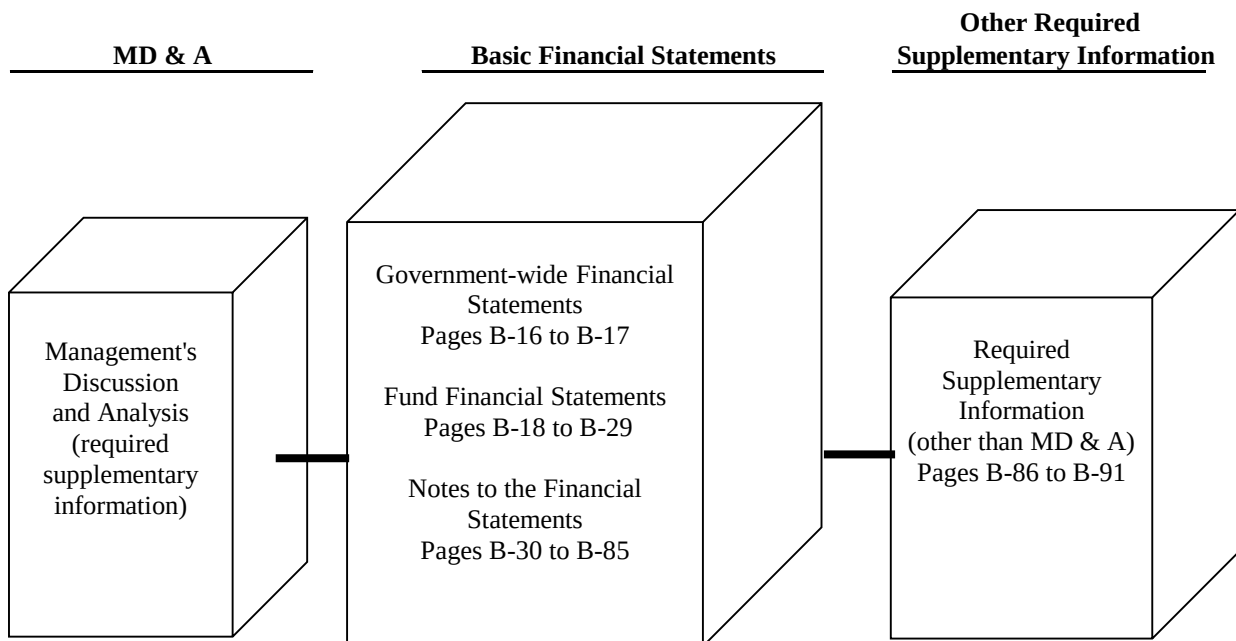
As management of the City of Tarpon Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction 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 \$151,060,925 (net position). Of this amount, \$20,660,223 (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 \$1,457,612.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of 22,783,745, an increase of \$598,338 in comparison with the prior year. The portion of this total amount, \$8,577,559, 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 \$8,577,559, or 32% of the total general fund expenditures.
- The City's total debt decreased by \$119,328 (.37%) \$940,000 of which was principal payment on the Utility System Revenue Bonds, Series 2013A. New debt issuance included a capital lease in the amount of \$1,094,792 for the purchase of a fire ladder truck which was reduced with a principal payment of \$200,671. The Utility System Revenue Bonds, Series 2013A has a total principal balance of \$30,600,000 and the capital lease for the fire ladder truck has a total principal of \$894,121 at September 30, 2020.

USING THIS ANNUAL REPORT

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



OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds.

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

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

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

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

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

Proprietary funds.

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

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

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

Fiduciary funds.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-30 to B-85 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-86 to B-91 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$151,060,925 at the close of fiscal year September 30, 2020.

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

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

Statement of Net Position as of September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 29,100,998	\$ 28,622,094	\$ 22,495,317	\$ 21,639,552	\$ 51,596,315	\$ 50,261,646
Capital assets	54,819,352	53,407,457	94,943,225	94,856,508	149,762,577	148,263,965
Total assets	<u>83,920,350</u>	<u>82,029,551</u>	<u>117,438,542</u>	<u>116,496,060</u>	<u>201,358,892</u>	<u>198,525,611</u>
Deferred Outflows of Resources						
Deferred Outflows of Resources	<u>3,488,885</u>	<u>3,006,663</u>	<u>83,652</u>	<u>41,087</u>	<u>3,572,537</u>	<u>3,047,750</u>
Liabilities						
Current and other liabilities	4,969,815	4,836,627	3,644,692	3,234,923	8,614,507	8,071,550
Long-term debt outstanding:						
Due within one year	299,369	79,404	990,829	962,242	1,290,198	1,041,646
Due in more than one year	12,794,534	11,201,013	30,648,348	31,552,257	43,442,882	42,753,270
Total liabilities	<u>18,063,718</u>	<u>16,117,044</u>	<u>35,283,869</u>	<u>35,749,422</u>	<u>53,347,587</u>	<u>51,866,466</u>
Deferred Inflows of Resources						
Deferred Inflows of Resources	<u>522,917</u>	<u>103,582</u>	<u>-</u>	<u>-</u>	<u>522,917</u>	<u>103,582</u>
Net Position						
Net investment in capital assets	53,925,231	53,407,457	64,055,253	62,955,086	117,980,484	116,362,543
Restricted	6,732,428	8,242,401	5,687,790	6,420,497	12,420,218	14,662,898
Unrestricted	8,164,941	7,165,730	12,495,282	11,412,142	20,660,223	18,577,872
Total net position	<u>\$ 68,822,600</u>	<u>\$ 68,815,588</u>	<u>\$ 82,238,325</u>	<u>\$ 80,787,725</u>	<u>\$ 151,060,925</u>	<u>\$ 149,603,313</u>

An additional portion of the City's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$20,660,223) 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 \$1,457,612 during the current fiscal year.

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

Statement of Activities

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

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program Revenues:						
Charges for services	\$ 4,295,340	\$ 4,355,531	\$ 25,760,491	\$ 24,748,487	\$ 30,055,831	\$ 29,104,018
Operating grants and contributions	916,385	916,476	178,506	1,257,474	1,094,891	2,173,950
Capital grants and contributions	1,137,225	381,656	399,718	557,077	1,536,943	938,733
General revenues:						
Property taxes	9,955,730	9,437,667	-	-	9,955,730	9,437,667
Property taxes-TIF County portion	244,654	238,881	-	-	244,654	238,881
Utility taxes	3,425,760	3,246,311	-	-	3,425,760	3,246,311
Communication service taxes	887,536	884,958	-	-	887,536	884,958
Sales, gas and other taxes	4,707,640	4,790,992	-	-	4,707,640	4,790,992
Franchise fees	1,820,718	1,887,605	-	-	1,820,718	1,887,605
State revenue sharing	836,459	903,617	-	-	836,459	903,617
Investment income	432,880	768,522	319,108	645,812	751,988	1,414,334
Miscellaneous	1,027,184	319,833	-	-	1,027,184	319,833
Total revenues	<u>29,687,511</u>	<u>28,132,049</u>	<u>26,657,823</u>	<u>27,208,850</u>	<u>56,345,334</u>	<u>55,340,899</u>
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	5,070,370	4,433,507	-	-	5,070,370	4,433,507
Public safety	17,332,285	17,366,747	-	-	17,332,285	17,366,747
Physical environment	1,454,120	1,405,668	-	-	1,454,120	1,405,668
Transportation	2,570,621	2,496,389	-	-	2,570,621	2,496,389
Economic environment	530,288	493,953	-	-	530,288	493,953
Culture/recreation	4,581,598	4,607,221	-	-	4,581,598	4,607,221
Interest on long-term debt	45,378	-	-	-	45,378	-
Business-type Activities:						
Water/Sewer	-	-	15,150,903	14,398,298	15,150,903	14,398,298
Sanitation	-	-	5,373,320	4,955,865	5,373,320	4,955,865
Storm water	-	-	1,356,409	1,362,896	1,356,409	1,362,896
Golf Course	-	-	1,291,991	1,414,414	1,291,991	1,414,414
Marina	-	-	130,439	123,057	130,439	123,057
Total expenses	<u>31,584,660</u>	<u>30,803,485</u>	<u>23,303,062</u>	<u>22,254,530</u>	<u>54,887,722</u>	<u>53,058,015</u>
Increase (decrease) in Net Position before Transfers	<u>(1,897,149)</u>	<u>(2,671,436)</u>	<u>3,354,761</u>	<u>4,954,320</u>	<u>1,457,612</u>	<u>2,282,884</u>
Transfers	1,904,161	1,711,753	(1,904,161)	(1,711,753)	-	-
Change in Net Position	<u>7,012</u>	<u>(959,683)</u>	<u>1,450,600</u>	<u>3,242,567</u>	<u>1,457,612</u>	<u>2,282,884</u>
Net Position - Beginning of year	68,815,588	69,775,271	80,787,725	77,545,158	149,603,313	147,320,429
Net Position - End of year	<u>\$ 68,822,600</u>	<u>\$ 68,815,588</u>	<u>\$ 82,238,325</u>	<u>\$ 80,787,725</u>	<u>\$ 151,060,925</u>	<u>\$ 149,603,313</u>

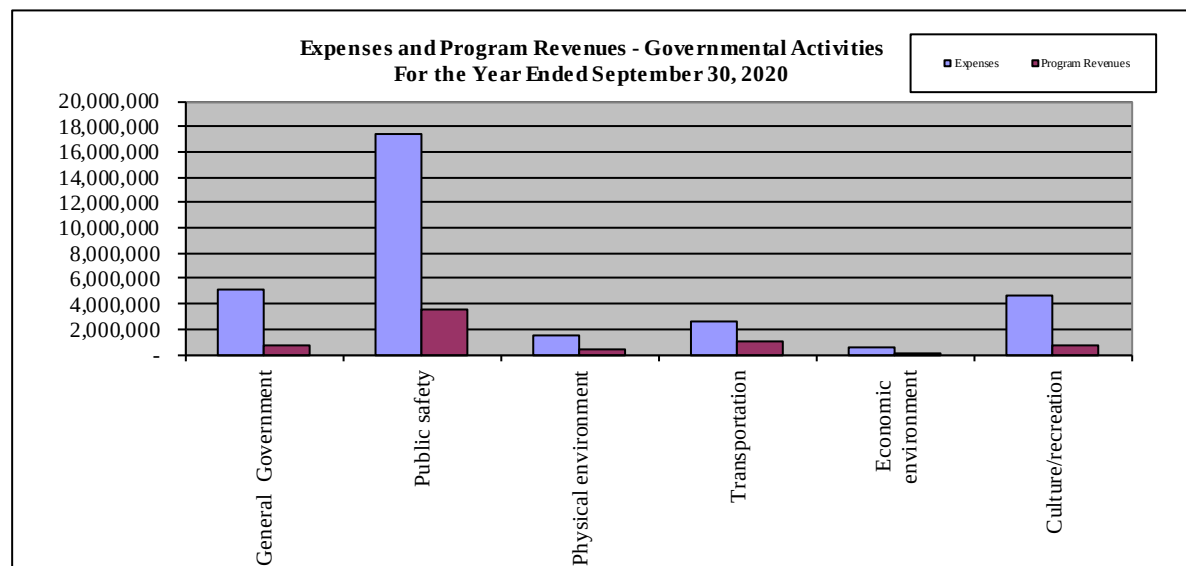
Governmental activities.

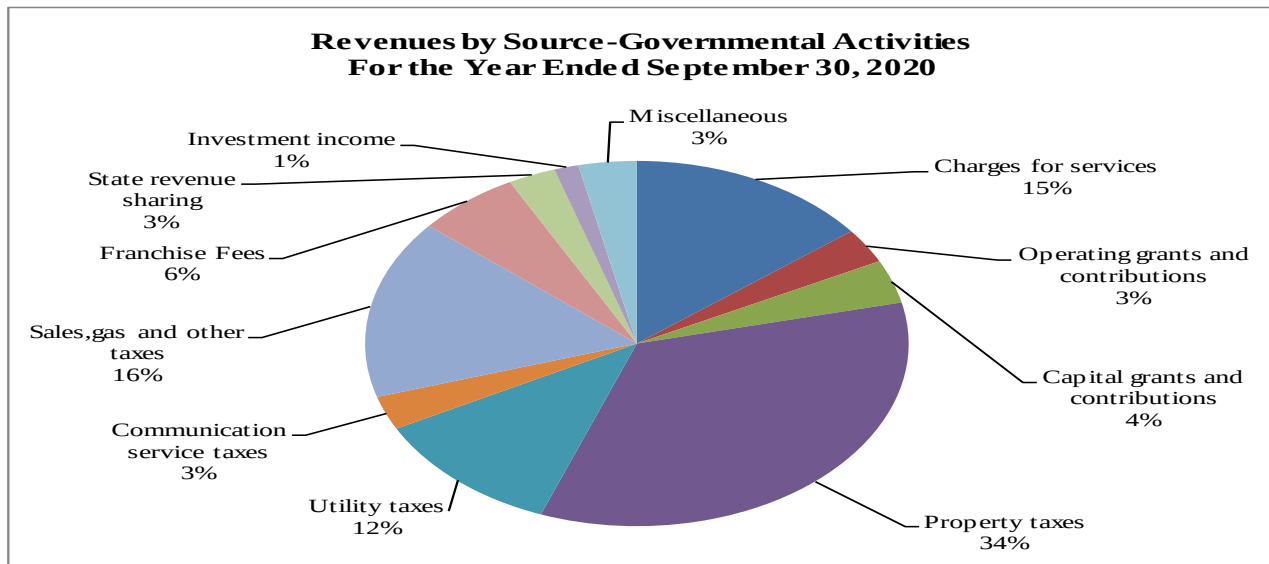
Governmental activities increased the City's net position by \$7,012 accounting for a 1% increase in the total growth in the net position of the City. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Governmental activity revenues increased \$1,555,462 in comparison to the previous year. The major increases were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 490,217	Taxable Assessed Value increase of 6.16%
Utility Tax Electric	\$ 143,547	Utility rate increase and new accounts
Building Permits	\$ 85,665	Construction Activity Increase
Perpetual Exclusive Easement	\$ 720,000	Sale of Perpetual Exclusive Easement-Cell Tower
Hurricane Irma Reimbursement	\$ 53,701	Emergency Preparedness Reimbursement-Hurricane Irma
Total	\$ 1,493,130	

Total Governmental activity expenses increased \$781,175 in comparison to the previous year. The majority of this increase was due to Police and Fire pension expense costs.





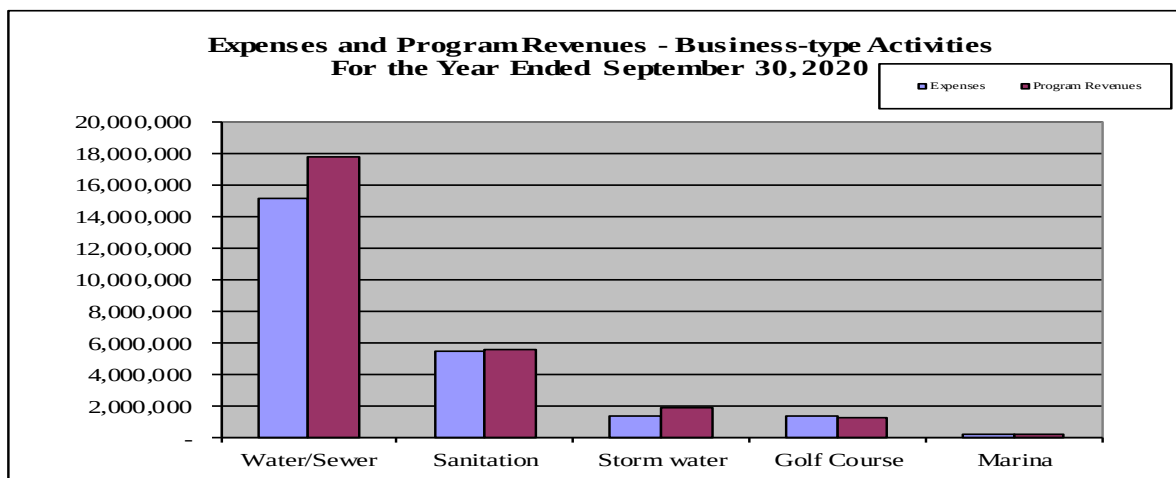
Business-type activities.

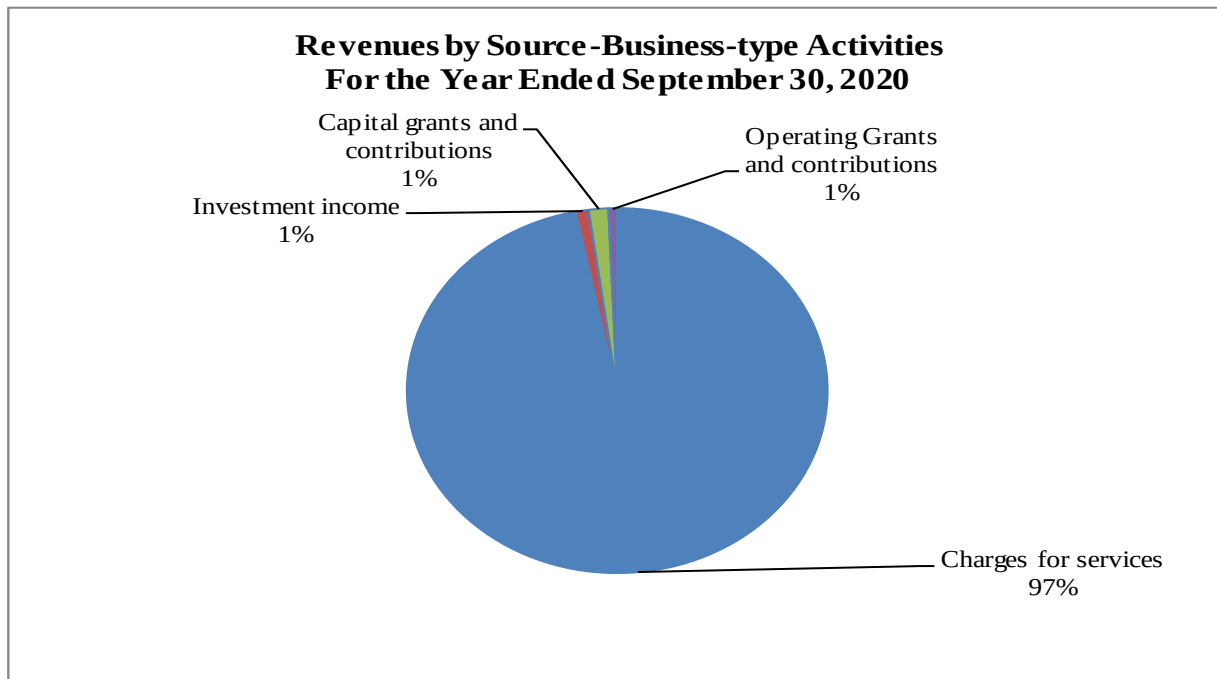
Business-type activities (enterprise funds) increased the City's net position by \$1,450,600, accounting for 99% of the total growth in the government's net position. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Business-type activity revenues decreased \$551,027 in comparison to the previous year. The major changes were:

Revenue Type	Increase (Decrease)	Description
Charges for Services:		
Sanitation Fees	\$ 309,912	1.78% Contractor Rate Increase
Water Sales	\$ 450,599	2.75% Rate Increase
Sewer Sales	\$ 360,872	2.75% Rate Increase
Stormwater Sales	\$ 70,242	\$.50 increase per ESU
Interest Earnings	\$ (326,704)	Rate of Return decrease 2%
Operating Grants/Contributions:		
Fema-Sanitation Fund	\$ (1,242,064)	Hurricane Irma-Debris Funding received FY 2019
Total	\$ (377,143)	

Total Business-type activity expenses increased \$1,048,532 in comparison to the previous year. This increase is mostly due to sanitation contractor fee increase due to increase in disposal cost at County landfill, personnel cost increases and engineering work for the Yard Waste Facility relocation.





FUND FINANCIAL STATEMENT ANALYSIS

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

Governmental Funds.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,783,745, an increase of \$598,338 in comparison with the prior year. The majority of this total amount (\$8,577,559) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned. Major restrictions, commitments or assignments include 1) restricted for capital projects (\$4,602,388), 2) committed for perpetual care of the cemetery (\$924,320), and 3) assigned for compensated absences (\$1,475,746).

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 \$8,577,559, while total fund balance was \$14,737,098. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 32% of total General Fund expenditures.

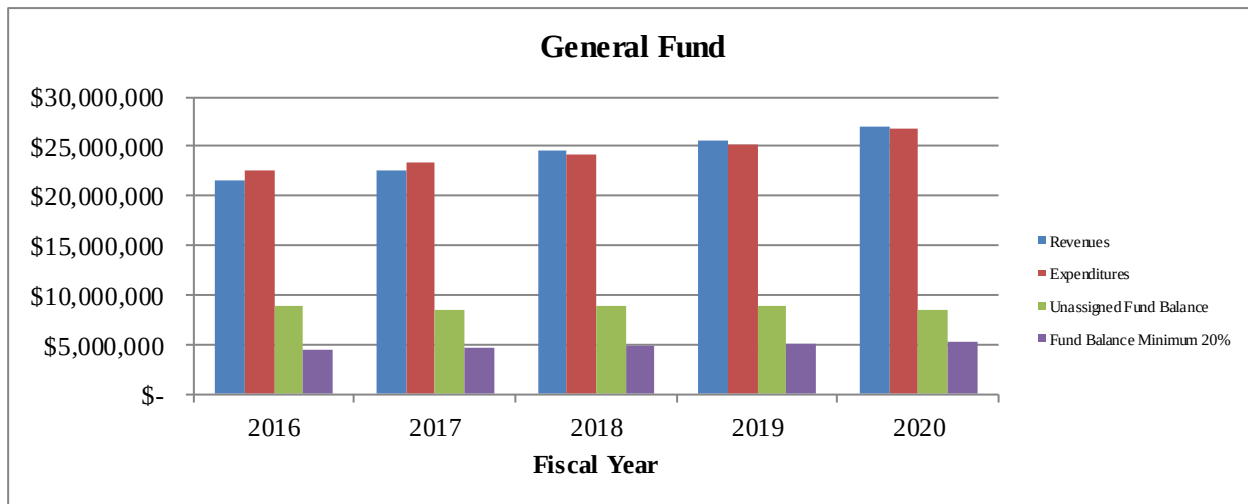
The fund balance of the City's General Fund increased by \$116,050 during the current fiscal year, a decrease in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In totaled \$26,950,573, an increase of \$1,314,670 over the previous fiscal year. The major increases were:

Revenue Type	Increase	Description
Ad Valorem Taxes:		
Property Taxes General Fund	\$ 490,217	Taxable Assessed Value increase of 6.16%
Utility Tax Electric	\$ 143,547	Utility rate increase and new accounts
Building Permits	\$ 85,665	Construction Activity Increase
Perpetual Exclusive Easement	\$ 720,000	Sale of Perpetual Exclusive Easement-Cell Tower
Hurricane Irma Reimbursement	\$ 53,701	Emergency Preparedness Reimbursement-Hurricane Irma
Total	\$ 1,493,130	

Expenditures including Transfers Out totaled \$26,834,523, an increase of \$1,641,317 over the previous fiscal year. The major increases were for personnel increases related to salaries and benefits, Cemetery Expansion Phase I and Small Business Endurance Grants.

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 \$273,097 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$519,515 an increase of \$22,768 over the previous fiscal year due to property tax values increasing. Property Tax receipts (City portion) increased \$3,559 and Tax Increment Financing receipts (County portion) increased \$5,773. The CRA also received a \$25,000 planning grant from Pinellas County.
- Expenditures were \$246,418, an increase of \$69,327 over the previous fiscal year. The majority of the increase is due to an increase in grant funding and capital project expenditures.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund increased by \$143,161 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$4,175,080 an increase of \$1,383,043 over the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$40,316 over the previous fiscal year. The City received \$1,094,792 in debt proceeds related to the capital lease purchase of a fire ladder truck. The City also received \$417,416 in grant funding, \$300,000 from Pinellas County for Anclote River dredging, \$81,166 from the State for Anclote River spoil site funding and \$36,250 from the County for paving of Lillian St.

- Expenditures were \$4,031,919, an increase of \$341,278 over the previous fiscal year. The major Capital items were for, Police Vehicles, Fire vehicles including the new fire ladder truck, Court St improvements, Anclote River Dredging, Library Renovations, Community Center improvements and Cultural Center Exterior improvements.

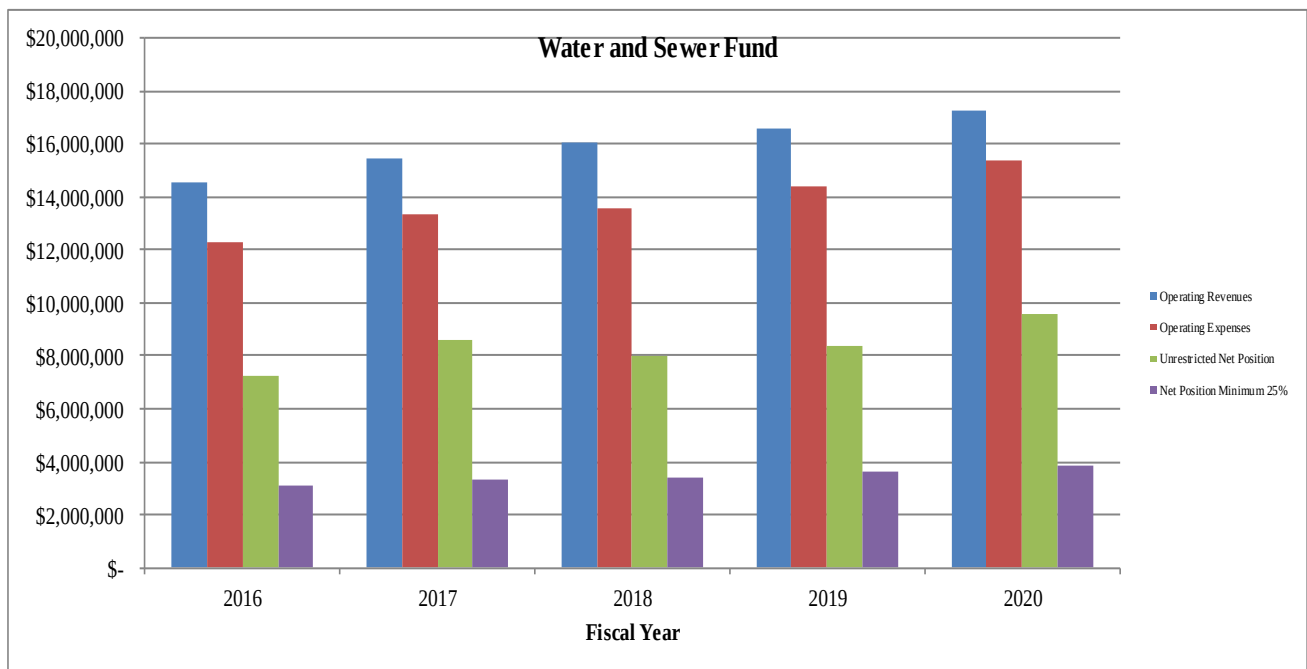
Proprietary Funds.

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

Water and Sewer Fund.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$9,581,567, and total growth in net position for the year was \$1,454,630, a decrease under the change noted in the previous fiscal year. This year operating revenues increased \$732,492, of this amount water sales increased \$450,599 or 2.99% and sewer sales increased \$360,872 or 5.12%. Water use billed increased 24 million gallons or 2.79% in comparison with the previous fiscal year. Operating expenses increased \$789,570, personnel costs increased \$408,280 due to salary increases, vacant positions being filled and health insurance increase. The balance of the increases related to the increase in property insurance and operational costs at the Water Plant and Wastewater Treatment Plant.

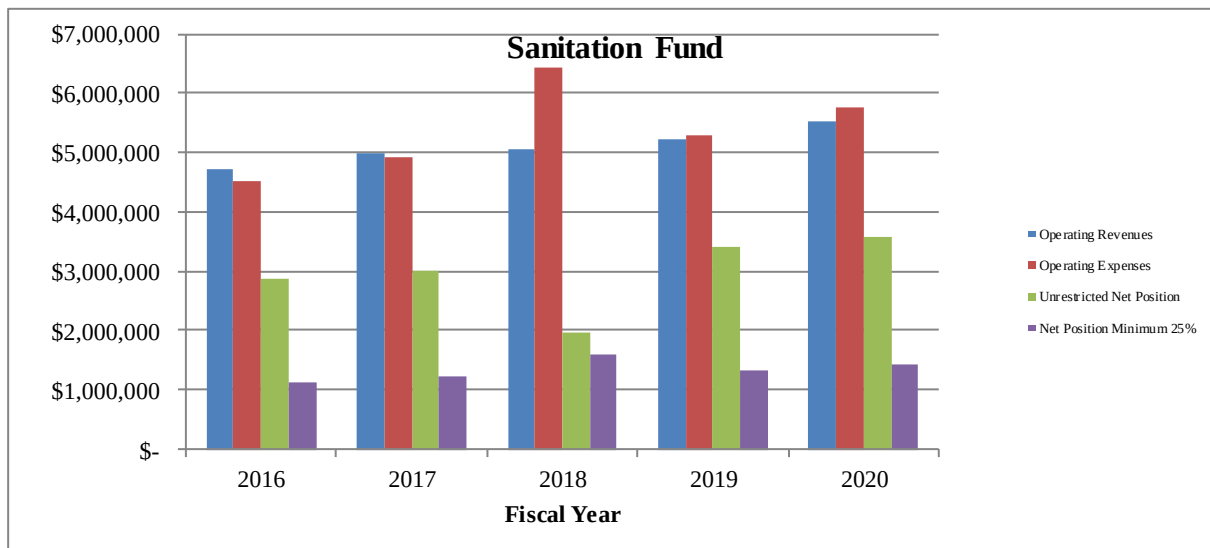
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$3,574,742, and total loss in net position for the year was \$229,472, the loss is due to Pinellas County increasing disposal costs at the Pinellas County landfill and Yard Waste Facility relocation expenses. Fiscal Year 2020 was the fourth year of the five year contract with the City's garbage contractor. This year operating revenues increased \$297,175, sanitation fees increased \$309,912 or 2.04% (1.78% rate increase). Operating expenses increased \$408,279 due to contractor rate increase and engineering work for the Yard Waste Facility relocation. The City administration portion remained at 20% in order to cover the operational expenses.

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



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

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund was an increase of \$2,183,513. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$310,924 for outstanding encumbrances from FY 2019 carried over to FY 2020.
- An increase of \$197,891 for outstanding donations from FY 2019 carried over to FY 2020.
- An increase of \$1.1 million for Cemetery Phase I expansion and \$155,000 for small business endurance grants.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$1,346,892. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$700,728 (majority is related to Cemetery Phase I expansion) in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$193,362 in Non-departmental due to items budgeted but not expensed as of fiscal year end.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$149,762,577 (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 1.01% (\$1,498,612). Separately there was a 2.64% (\$1,411,895) increase for governmental activities and a .09% (\$86,717) increase for business-type activities.

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

Governmental activities – Anclote River Dredging, Court St Improvements, Library Improvements, Cultural Center Improvements, Fire Ladder Truck and Police vehicles.

Business-type activities – Westwinds Reclaimed Line, Clarifier Improvements at Sewage Treatment Plant, Raw Water Wells and Solar Energy Improvements at the Water Plant.

Capital Assets at Year-End Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and land rights	\$ 6,721,897	\$ 6,719,926	\$ 3,459,687	\$ 3,459,687	\$ 10,181,584	\$ 10,179,613
Buildings and improvements	9,674,257	10,416,716	1,302,100	1,367,808	10,976,357	11,784,524
Improvements other than buildings	12,101,186	11,043,957	85,442,664	82,269,370	97,543,850	93,313,327
Machinery and equipment	3,760,273	3,165,975	2,325,076	2,190,985	6,085,349	5,356,960
Infrastructure	17,850,159	18,729,528	-	-	17,850,159	18,729,528
Total	50,107,772	50,076,102	92,529,527	89,287,850	142,637,299	139,363,952
Construction in progress	4,711,580	3,331,355	2,413,698	5,568,658	7,125,278	8,900,013
Total	<u>\$ 54,819,352</u>	<u>\$ 53,407,457</u>	<u>\$ 94,943,225</u>	<u>\$ 94,856,508</u>	<u>\$ 149,762,577</u>	<u>\$ 148,263,965</u>

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

Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 53,407,457	\$ 94,856,508	\$ 148,263,965
Additions	4,138,558	8,063,763	12,202,321
Construction in progress	1,380,225	(3,154,960)	(1,774,735)
Net Retirements	(34,442)	-	(34,442)
Depreciation	<u>(4,072,446)</u>	<u>(4,822,086)</u>	<u>(8,894,532)</u>
Ending Balance	<u>\$ 54,819,352</u>	<u>\$ 94,943,225</u>	<u>\$ 149,762,577</u>

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$31,782,093 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$119,328 (.37%), during the current fiscal year. Utility System Revenue Bonds, Series 2013A had a principal payment of \$940,000. New debt issuance included a capital lease in the amount of \$1,094,792 for the purchase of a fire ladder truck, which had a principal payment of \$200,671.

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

Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ 894,121	\$ -	\$ -	\$ -	\$ 894,121	\$ -
Utility Revenue Bonds	-	-	30,887,972	31,901,421	30,887,972	31,901,421
Total	<u>\$ 894,121</u>	<u>\$ -</u>	<u>\$ 30,887,972</u>	<u>\$ 31,901,421</u>	<u>\$ 31,782,093</u>	<u>\$ 31,901,421</u>

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

Additional information on the City's long-term debt can be found in Note III-F on pages B-61 to B-63 of the notes.

ECONOMIC FACTORS

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

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

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

Construction activity within the City has increased in FY 2020. The number of building permits pulled has increased over the previous fiscal years. Property values have also been increasing within the City.

FINANCIAL CONTACT

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

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements

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

Proprietary Fund Financial Statements

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

Fiduciary Fund Financial Statements

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

Notes to the Financial Statements

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,555,977	\$ 8,739,567	\$ 21,295,544
Investments	13,585,788	4,325,967	17,911,755
Receivables (net of allowance)	877,728	2,616,589	3,494,317
Due from other governments	1,005,844	21,538	1,027,382
Internal balances	1,035,972	(1,035,972)	-
Inventories	33,295	223,303	256,598
Prepaid items	6,394	40,176	46,570
Restricted assets:			
Cash and cash equivalents	-	2,374,105	2,374,105
Investments	-	5,179,946	5,179,946
Receivables	-	10,098	10,098
Capital Assets:			
Land and land rights	6,721,897	3,459,687	10,181,584
Buildings and improvements	25,225,867	2,043,850	27,269,717
Improvements other than buildings	21,104,619	135,034,628	156,139,247
Machinery and equipment	12,904,146	8,529,841	21,433,987
Infrastructure	48,324,301	-	48,324,301
Construction in progress	4,711,580	2,413,698	7,125,278
Accumulated depreciation	(64,173,058)	(56,538,479)	(120,711,537)
Total Assets	83,920,350	117,438,542	201,358,892
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	546,065	83,652	629,717
Deferred outflows of resources related to pension plans.	2,942,820	-	2,942,820
Total Deferred Outflows of Resources	3,488,885	83,652	3,572,537
LIABILITIES			
Accounts payable	1,017,956	1,144,890	2,162,846
Accrued liabilities	381,280	120,996	502,276
Contracts payable	73,712	539,594	613,306
Deposits	15,043	-	15,043
Unearned revenue	3,481,824	30,820	3,512,644
Payable from restricted assets:			
Customer deposits	-	1,808,392	1,808,392
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	975,000	975,000
Capital leases payable	216,743	-	216,743
Compensated absences	70,988	15,829	86,817
Claims payable	11,638	-	11,638
Due In More Than One Year:			
Bonds payable	-	29,912,972	29,912,972
Capital leases payable	677,378	-	677,378
Other postemployment benefits	2,653,700	406,521	3,060,221
Compensated absences	1,425,799	328,855	1,754,654
Net pension liability	7,920,157	-	7,920,157
Claims payable	117,500	-	117,500
Total Liabilities	18,063,718	35,283,869	53,347,587
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension plans	522,917	-	522,917
Total Deferred Inflows of Resources	522,917	-	522,917
NET POSITION			
Net investment in capital assets	53,925,231	64,055,253	117,980,484
Restricted for :			
Capital projects - optional sales tax	3,055,004	-	3,055,004
Capital projects - impact fee programs	1,193,065	2,794,019	3,987,084
Transportation	354,319	-	354,319
CRA	716,098	-	716,098
Law enforcement programs	249,038	-	249,038
Grant programs	114,096	-	114,096
Special programs	311,295	-	311,295
Other contractual obligations	539,513	-	539,513
Loan receivable	200,000	-	200,000
Bond reserve	-	2,045,894	2,045,894
Bond renewal and replacement	-	847,877	847,877
Unrestricted	8,164,941	12,495,282	20,660,223
Total Net Position	\$ 68,822,600	\$ 82,238,325	\$ 151,060,925

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, 2020

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 5,070,370	\$ 690,067	\$ -	\$ 15,198	\$ (4,365,105)	\$ -	\$ (4,365,105)
Public safety	17,332,285	3,135,880	273,492	87,037	(13,835,876)	-	(13,835,876)
Physical environment	1,454,120	307,390	18,341	-	(1,128,389)	-	(1,128,389)
Transportation	2,570,621	-	98,479	903,274	(1,568,868)	-	(1,568,868)
Economic environment	530,288	-	106,684	25,000	(398,604)	-	(398,604)
Culture/recreation	4,581,598	162,003	419,389	106,716	(3,893,490)	-	(3,893,490)
Interest on long-term debt	45,378	-	-	-	(45,378)	-	(45,378)
Total governmental activities	<u>31,584,660</u>	<u>4,295,340</u>	<u>916,385</u>	<u>1,137,225</u>	<u>(25,235,710)</u>	<u>-</u>	<u>(25,235,710)</u>
Business-Type Activities:							
Water/Sewer	15,150,903	17,289,453	21,538	399,718	-	2,559,806	2,559,806
Sanitation	5,373,320	5,513,192	2,845	-	-	142,717	142,717
Storm Water	1,356,409	1,667,423	154,123	-	-	465,137	465,137
Golf Course	1,291,991	1,174,130	-	-	-	(117,861)	(117,861)
Marina	130,439	116,293	-	-	-	(14,146)	(14,146)
Total business-type activities	<u>23,303,062</u>	<u>25,760,491</u>	<u>178,506</u>	<u>399,718</u>	<u>-</u>	<u>3,035,653</u>	<u>3,035,653</u>
Total primary government	<u>\$ 54,887,722</u>	<u>\$ 30,055,831</u>	<u>\$ 1,094,891</u>	<u>\$ 1,536,943</u>	<u>(25,235,710)</u>	<u>3,035,653</u>	<u>(22,200,057)</u>
General Revenues:							
Taxes:							
Property taxes					9,955,730	-	9,955,730
Property taxes -Tax Increment							
Financing (TIF) - County portion					244,654	-	244,654
Utility taxes					3,425,760	-	3,425,760
Communication service taxes					887,536	-	887,536
Half-cent sales tax					1,581,655	-	1,581,655
Local option gas tax					305,692	-	305,692
Local option sales tax					2,618,770	-	2,618,770
Local business tax					138,677	-	138,677
Other taxes					62,846	-	62,846
Franchise fees					1,820,718	-	1,820,718
State revenue sharing					836,459	-	836,459
Investment income					432,880	319,108	751,988
Miscellaneous					1,027,184	-	1,027,184
Transfers					1,904,161	(1,904,161)	-
Total General Revenues					<u>25,242,722</u>	<u>(1,585,053)</u>	<u>23,657,669</u>
Change in Net Position					7,012	1,450,600	1,457,612
Net Position - Beginning					<u>68,815,588</u>	<u>80,787,725</u>	<u>149,603,313</u>
Net Position - Ending					<u>\$ 68,822,600</u>	<u>\$ 82,238,325</u>	<u>\$ 151,060,925</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, 2020

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,731,750	\$ 640,095	\$ 1,224,264	\$ 4,264,665	\$ 11,860,774
Investments	10,974,206	200,000	1,609,564	300,000	13,083,770
Accrued interest receivable	64,874	2,762	17,663	4,142	89,441
Accounts receivable - net of allowance for doubtful accounts	13,629	-	-	-	13,629
Loan receivable	200,000	-	-	-	200,000
Taxes receivable	571,813	-	-	-	571,813
Due from other funds (deficit in pooled cash)	1,319,121	-	-	-	1,319,121
Due from other governments	263,257	-	683,457	59,130	1,005,844
Prepaid items	6,381	-	-	-	6,381
Total Assets	<u>\$ 19,145,031</u>	<u>\$ 842,857</u>	<u>\$ 3,534,948</u>	<u>\$ 4,627,937</u>	<u>\$ 28,150,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 432,116	\$ 23,281	\$ 393,624	\$ 154,097	\$ 1,003,118
Accrued liabilities	363,607	716	-	5,949	370,272
Contracts payable	-	-	68,657	5,055	73,712
Deposits	15,043	-	-	-	15,043
Advance from other fund	50,469	100,000	-	183,149	333,618
Unearned revenue	3,481,824	-	-	-	3,481,824
Total Liabilities	<u>4,343,059</u>	<u>123,997</u>	<u>462,281</u>	<u>348,250</u>	<u>5,277,587</u>
Deferred Inflows of Resources:					
Unavailable revenue	64,874	2,762	17,663	4,142	89,441
Total Deferred Inflows of Resources	<u>64,874</u>	<u>2,762</u>	<u>17,663</u>	<u>4,142</u>	<u>89,441</u>
Fund Balances:					
Nonspendable:					
Prepaid items	6,381	-	-	-	6,381
Loan receivable	200,000	-	-	-	200,000
Restricted for:					
Donations received	281,990	-	-	-	281,990
Hospital ER	167,365	-	-	-	167,365
Capital projects - impact fee programs	-	-	-	1,193,065	1,193,065
CRA	-	716,098	-	-	716,098
Capital projects - optional sales tax	-	-	3,055,004	-	3,055,004
Transportation	-	-	-	354,319	354,319
Law enforcement programs	-	-	-	249,038	249,038
Grant programs	-	-	-	114,096	114,096
Public art program	-	-	-	261,025	261,025
Land preservation	-	-	-	50,270	50,270
Committed to:					
Cemetery	924,320	-	-	-	924,320
Tree bank	302,634	-	-	-	302,634
Right of way	148,424	-	-	-	148,424
Sidewalks	34,385	-	-	1,938,216	1,972,601
Employee benefit cost deferral	-	-	-	115,516	115,516
Assigned to:					
Compensated absences	1,475,746	-	-	-	1,475,746
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	370,921	-	-	-	370,921
Insurance/Other	124,939	-	-	-	124,939
Hospital Lease 2041-2070	77,481	-	-	-	77,481
Perpetual exclusive easement	720,000	-	-	-	720,000
Management Designations	487,431	-	-	-	487,431
Other contractual obligations	787,522	-	-	-	787,522
Unassigned:	8,577,559	-	-	-	8,577,559
Total Fund Balances	<u>14,737,098</u>	<u>716,098</u>	<u>3,055,004</u>	<u>4,275,545</u>	<u>22,783,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,145,031</u>	<u>\$ 842,857</u>	<u>\$ 3,534,948</u>	<u>\$ 4,627,937</u>	<u>\$ 28,150,773</u>

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

CITY OF TARPON SPRINGS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Fund balances - total governmental funds \$ 22,783,745

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	\$ 118,292,062	
Less accumulated depreciation	<u>(63,748,849)</u>	54,543,213

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

Deferred outflows of resources related to pension plans.	2,942,820	
Deferred outflows of resources related to opeb.	<u>542,589</u>	3,485,409

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

Capital leases payable	(894,121)	
Compensated absences	(1,475,746)	
Accrued interest on long-term liabilities	(6,450)	
Other postemployment benefits	<u>(2,636,806)</u>	(5,013,123)

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

Net pension liability	(7,920,157)	
Deferred inflows of resources related to pension plans	<u>(522,917)</u>	(8,443,074)

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

89,441

Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,376,989

Net position of governmental activities.

\$ 68,822,600

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 14,162,802	\$ 244,901	\$ 2,618,770	\$ 305,692	\$ 17,332,165
Permits and fees	2,315,866	-	-	694,810	3,010,676
Intergovernmental	2,999,159	269,654	417,416	245,185	3,931,414
Charges for services	2,926,122	-	6,028	-	2,932,150
Fines and forfeitures	161,461	-	-	6,486	167,947
Other	2,196,665	4,960	38,074	98,890	2,338,589
Total Revenues	<u>24,762,075</u>	<u>519,515</u>	<u>3,080,288</u>	<u>1,351,063</u>	<u>29,712,941</u>
Expenditures:					
Current:					
General Government:					
Board of commissioners	151,132	-	-	-	151,132
City manager	325,204	-	-	-	325,204
Financial administration	540,999	-	-	-	540,999
Human resources	292,864	-	-	-	292,864
Purchasing	239,116	-	-	-	239,116
Management information services	770,758	-	-	-	770,758
City attorney	256,443	-	-	-	256,443
Planning	493,046	-	-	-	493,046
City clerk	346,245	-	-	-	346,245
Projection administration	99,246	-	-	-	99,246
Non-departmental	965,569	-	-	-	965,569
	<u>4,480,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,480,622</u>
Public Safety:					
Police	8,283,765	-	-	40,951	8,324,716
Fire/ems/emergency management	5,473,568	-	-	392,355	5,865,923
Protective inspections	962,478	-	-	-	962,478
	<u>14,719,811</u>	<u>-</u>	<u>-</u>	<u>433,306</u>	<u>15,153,117</u>
Physical Environment:					
City buildings/grounds	888,563	-	-	-	888,563
Cemetery	328,800	-	-	-	328,800
Other	47,313	-	-	-	47,313
	<u>1,264,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,264,676</u>
Transportation:					
Roads and streets	1,241,641	-	-	-	1,241,641
	<u>1,241,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,241,641</u>
Economic Environment:					
Other	128,713	209,932	-	-	338,645
	<u>128,713</u>	<u>209,932</u>	<u>-</u>	<u>-</u>	<u>338,645</u>
Culture and Recreation:					
Library	1,453,122	-	-	-	1,453,122
Parks and recreation	1,824,365	-	-	-	1,824,365
Cultural	581,074	-	-	-	581,074
Other	-	-	-	25,398	25,398
	<u>3,858,561</u>	<u>-</u>	<u>-</u>	<u>25,398</u>	<u>3,883,959</u>
Capital Outlay	886,258	36,486	3,792,320	796,233	5,511,297
Debt Service	-	-	239,599	-	239,599
Total Expenditures	<u>26,580,282</u>	<u>246,418</u>	<u>4,031,919</u>	<u>1,254,937</u>	<u>32,113,556</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,818,207)</u>	<u>273,097</u>	<u>(951,631)</u>	<u>96,126</u>	<u>(2,400,615)</u>
Other Financing Sources (Uses):					
Issuance of debt	-	-	1,094,792	-	1,094,792
Transfers in	2,188,498	-	-	544,241	2,732,739
Transfers out	(254,241)	-	-	(574,337)	(828,578)
Total Other Financing Sources (Uses)	<u>1,934,257</u>	<u>-</u>	<u>1,094,792</u>	<u>(30,096)</u>	<u>2,998,953</u>
Net Change in Fund Balances	116,050	273,097	143,161	66,030	598,338
Fund Balances - Beginning of Year	14,621,048	443,001	2,911,843	4,209,515	22,185,407
Fund Balances - End of Year	<u>\$ 14,737,098</u>	<u>\$ 716,098</u>	<u>\$ 3,055,004</u>	<u>\$ 4,275,545</u>	<u>\$ 22,783,745</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, 2020

Net change in fund balances - total governmental funds		\$	598,338
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	\$	5,511,297	
Less current year depreciation		<u>(4,033,258)</u>	1,478,039
In the statement of activities the loss on disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds.			
			(34,442)
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:			
Capital lease proceeds			(1,094,792)
Repayment of long term debt principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net position. Current year amounts are:			
Capital lease principal payments			200,671
Deferred outflows related to pension plans and opeb does not require the use of current financial resources and consequently is not reported in the funds.			
Deferred outflows of resources related to pension plans.		218,417	
Deferred outflows of resources related to opeb.		<u>262,870</u>	481,287
Liability for other postemployment benefits (OPEB) does not require the use of current financial resources and consequently is not reported in the funds.			
Current year change in the liability for other postemployment benefits			(453,591)
Revenues which do not provide current financial resources and are not reported in the governmental funds.			
Current year change in accrued interest			(40,648)
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		(6,450)	
Current year change in compensated absences		(143,407)	
Net pension liability		(301,451)	
Deferred inflows of resources related to pension plans		<u>(518,315)</u>	(969,623)
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>(158,227)</u>
Change in net position of governmental activities.	\$		<u><u>7,012</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 13,920,435	\$ 13,920,435	\$ 14,162,802	\$ 242,367
Permits and fees	2,332,797	2,332,797	2,315,866	(16,931)
Intergovernmental	3,021,934	3,072,934	2,999,159	(73,775)
Charges for services	3,119,968	3,121,782	2,926,122	(195,660)
Fines and forfeitures	142,410	143,744	161,461	17,717
Other	1,027,081	1,072,553	2,196,665	1,124,112
Total Revenues	23,564,625	23,664,245	24,762,075	1,097,830
Expenditures:				
Current:				
General Government:				
Board of commissioners	151,968	151,968	151,132	836
City manager	322,868	325,204	325,204	-
Financial administration	535,428	548,663	540,999	7,664
Human resources	294,235	301,567	292,864	8,703
Purchasing	251,231	251,231	239,116	12,115
Management information services	828,706	761,296	770,758	(9,462)
City attorney	162,841	256,669	256,443	226
Planning	455,924	566,722	493,046	73,676
City clerk	357,235	357,235	346,245	10,990
Project administration	99,248	99,248	99,246	2
Non-departmental	870,464	1,158,931	965,569	193,362
	4,330,148	4,778,734	4,480,622	298,112
Public Safety:				
Police	8,317,811	8,328,350	8,283,765	44,585
Fire/ems/emergency management	5,282,141	5,482,425	5,473,568	8,857
Protective inspections	1,003,742	973,863	962,478	11,385
	14,603,694	14,784,638	14,719,811	64,827
Physical Environment:				
City buildings/grounds	785,477	888,507	888,563	(56)
Cemetery	361,362	319,183	328,800	(9,617)
Tree bank	140,000	127,972	47,313	80,659
	1,286,839	1,335,662	1,264,676	70,986
Transportation:				
Roads and streets	1,139,686	1,242,824	1,241,641	1,183
Economic Environment:				
Economic development	128,775	128,775	128,713	62
Culture and Recreation:				
Library	1,439,647	1,544,521	1,453,122	91,399
Parks and recreation	1,784,729	1,856,720	1,824,365	32,355
Cultural	741,933	668,314	581,074	87,240
	3,966,309	4,069,555	3,858,561	210,994
Capital Outlay	288,210	1,586,986	886,258	700,728
Total Expenditures	25,743,661	27,927,174	26,580,282	1,346,892
Excess of Revenues Over (Under) Expenditures	(2,179,036)	(4,262,929)	(1,818,207)	2,444,722
Other Financing Sources (Uses):				
Transfers in	2,181,595	2,181,595	2,188,498	6,903
Transfers out	(270,664)	(270,664)	(254,241)	16,423
Total Other Financing Sources (Uses)	1,910,931	1,910,931	1,934,257	23,326
Net Change in Fund Balances	(268,105)	(2,351,998)	116,050	2,468,048
Fund Balances - Beginning of Year	14,621,048	14,621,048	14,621,048	-
Fund Balances - End of Year	\$ 14,352,943	\$ 12,269,050	\$ 14,737,098	\$ 2,468,048

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 244,901	\$ 244,901	\$ 244,901	\$ -
Intergovernmental	244,801	244,801	269,654	24,853
Other	2,000	2,000	4,960	2,960
Total Revenues	491,702	491,702	519,515	27,813
Expenditures:				
Current:				
Economic Environment:				
Other	316,702	242,560	209,932	32,628
Capital Outlay	175,000	249,142	36,486	212,656
Total Expenditures	491,702	491,702	246,418	245,284
Net Change in Fund Balances	-	-	273,097	273,097
Fund Balances - Beginning of Year	443,001	443,001	443,001	-
Fund Balances - End of Year	<u>\$ 443,001</u>	<u>\$ 443,001</u>	<u>\$ 716,098</u>	<u>\$ 273,097</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, 2020

	Business-type Activities				
	Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 2,794,415	\$ 5,510,763	\$ 434,389	\$ 8,739,567	\$ 695,203
Investments	500,000	3,323,949	502,018	4,325,967	502,018
Receivables:					
Interest	6,375	37,933	2,842	47,150	2,845
Accounts - billed (net)	346,419	1,129,511	132,491	1,608,421	-
Accounts - unbilled	192,904	698,329	69,785	961,018	-
Due from other governments	-	21,538	-	21,538	-
Advance to other fund	323,521	100,000	-	423,521	50,469
Inventories	-	201,016	22,287	223,303	33,295
Prepaid items	13	37,561	2,602	40,176	13
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	29,779	89,744	-	119,523	-
Customer deposits-investments	561,175	1,125,000	-	1,686,175	-
Total Current Assets	4,754,601	12,275,344	1,166,414	18,196,359	1,283,843
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	2,253,954	-	2,253,954	-
Construction fund	-	628	-	628	-
Investments:					
Impact fees	-	600,000	-	600,000	-
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	847,877	-	847,877	-
Receivables:					
Accrued interest	-	6,214	-	6,214	-
Accounts receivable - billed (net)	-	3,884	-	3,884	-
Capital Assets:					
Land and land rights	421,435	2,566,730	471,522	3,459,687	-
Buildings and improvements	101,713	1,431,412	510,725	2,043,850	44,756
Improvements other than buildings	188,034	128,171,111	6,675,483	135,034,628	529,962
Machinery and equipment	841,431	5,400,897	2,287,513	8,529,841	125,631
Accumulated depreciation	(760,742)	(51,143,332)	(4,634,405)	(56,538,479)	(424,210)
Construction in progress	-	1,266,809	1,146,889	2,413,698	-
Total Non-Current Assets	791,871	93,452,078	6,457,727	100,701,676	276,139
Total Assets	5,546,472	105,727,422	7,624,141	118,898,035	1,559,982
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	11,911	61,653	10,088	83,652	3,476
Total Deferred Outflows of Resources	11,911	61,653	10,088	83,652	3,476
LIABILITIES					
Current Liabilities:					
Accounts payable	40,484	920,451	183,955	1,144,890	14,838
Accrued liabilities	9,405	95,163	16,428	120,996	4,558
Contracts payable	473,046	5,182	61,366	539,594	-
Due to other fund (deficit in pooled cash)	-	-	1,319,121	1,319,121	-
Advance from other fund	-	-	140,372	140,372	-
Bonds payable	-	975,000	-	975,000	-
Claims payable	-	-	-	-	11,638
Compensated absences	1,001	12,784	2,044	15,829	2,991
Unearned revenue	-	10,322	20,498	30,820	-
Current Liabilities (payable from restricted assets):					
Customer deposits	590,954	1,214,744	2,694	1,808,392	-
Total Current Liabilities	1,114,890	3,233,646	1,746,478	6,095,014	34,025
Non-Current Liabilities:					
Bonds payable	-	29,912,972	-	29,912,972	-
Claims payable	-	-	-	-	117,500
Other postemployment benefits	57,881	299,615	49,025	406,521	16,894
Compensated absences	18,999	267,830	42,026	328,855	18,050
Total Non-Current Liabilities	76,880	30,480,417	91,051	30,648,348	152,444
Total Liabilities	1,191,770	33,714,063	1,837,529	36,743,362	186,469
NET POSITION					
Net investment in capital assets	791,871	56,805,655	6,457,727	64,055,253	276,139
Restricted for:					
Revenue bond reserve requirements	-	2,045,894	-	2,045,894	-
Revenue bond renewal and replacement requirements	-	847,877	-	847,877	-
Capital projects - impact fee program	-	2,794,019	-	2,794,019	-
Unrestricted	3,574,742	9,581,567	(661,027)	12,495,282	1,100,850
Total Net Position	\$ 4,366,613	\$ 72,075,012	\$ 5,796,700	\$ 82,238,325	\$ 1,376,989

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, 2020

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Operating Revenues:					
Charges for services	\$ 5,508,919	\$ 17,109,996	\$ 2,951,727	\$ 25,570,642	\$ 1,766,350
Other	4,273	179,457	6,119	189,849	-
Total Operating Revenues	5,513,192	17,289,453	2,957,846	25,760,491	1,766,350
Operating Expenses:					
Personnel services	596,611	5,374,111	1,010,796	6,981,518	314,462
Contractual services	4,562,691	858,695	991,390	6,412,776	53,525
Supplies	42,407	1,208,918	206,537	1,457,862	368,184
Repairs and maintenance	37,348	937,731	126,810	1,101,889	343,977
Utilities	5,036	1,277,531	75,906	1,358,473	1,280
Claims	-	-	-	-	80,241
Insurance	-	-	-	-	738,937
Depreciation	103,467	4,351,729	366,890	4,822,086	39,189
Total Operating Expenses	5,347,560	14,008,715	2,778,329	22,134,604	1,939,795
Operating Income (Loss)	165,632	3,280,738	179,517	3,625,887	(173,445)
Non-Operating Revenues (Expenses):					
Investment income	33,992	181,991	22,472	238,455	15,218
Net change in fair value of investments	3,578	3,626	-	7,204	-
Intergovernmental grants	2,845	21,538	154,123	178,506	-
Interest expense	(15,208)	(1,132,496)	-	(1,147,704)	-
Amortization of bond premium	-	73,449	-	73,449	-
Other	(10,552)	(9,692)	(510)	(20,754)	-
Total Non-Operating Revenues (Expenses)	14,655	(861,584)	176,085	(670,844)	15,218
Income (Loss) before Contributions and Transfers	180,287	2,419,154	355,602	2,955,043	(158,227)
Capital grants and contributions	-	399,718	-	399,718	-
Transfers out	(409,759)	(1,364,242)	(130,160)	(1,904,161)	-
Total Capital Grants, Contributions and Transfers Out	(409,759)	(964,524)	(130,160)	(1,504,443)	-
Change in Net Position	(229,472)	1,454,630	225,442	1,450,600	(158,227)
Net Position - Beginning of Year	4,596,085	70,620,382	5,571,258	80,787,725	1,535,216
Net Position - End of Year	\$ 4,366,613	\$ 72,075,012	\$ 5,796,700	\$ 82,238,325	\$ 1,376,989

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, 2020

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 6,748,754	\$ 17,137,256	\$ 2,930,807	\$ 26,816,817	\$ -
Cash payments to suppliers	(4,581,807)	(3,977,145)	(1,252,191)	(9,811,143)	(1,556,322)
Cash payments to employees	(570,620)	(5,259,380)	(1,000,029)	(6,830,029)	(309,306)
Cash received from other funds	-	-	-	-	1,773,304
Other	(10,552)	(9,692)	(510)	(20,754)	-
Net cash provided (used) by operating activities	<u>1,585,775</u>	<u>7,891,039</u>	<u>678,077</u>	<u>10,154,891</u>	<u>(92,324)</u>
Cash flows from noncapital financing activities:					
Transfers out	(409,759)	(1,364,242)	(130,160)	(1,904,161)	-
Intergovernmental grants	2,845	21,538	154,123	178,506	-
Interest paid	(15,208)	(30,933)	-	(46,141)	-
Advance to other fund	85,937	175,000	-	260,937	103,314
Advance from other fund	-	-	(35,937)	(35,937)	-
Payment of cash on loans to/from other funds	-	-	150,128	150,128	-
Net cash provided (used) by noncapital financing activities	<u>(336,185)</u>	<u>(1,198,637)</u>	<u>138,154</u>	<u>(1,396,668)</u>	<u>103,314</u>
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(940,000)	-	(940,000)	-
Interest payments on debt	-	(1,101,563)	-	(1,101,563)	-
Acquisition and construction of capital assets	(128,765)	(3,875,617)	(904,421)	(4,908,803)	(7,487)
Contributed capital - impact fees	-	399,718	-	399,718	-
Net cash used for capital and related financing activities	<u>(128,765)</u>	<u>(5,517,462)</u>	<u>(904,421)</u>	<u>(6,550,648)</u>	<u>(7,487)</u>
Cash flows from investing activities:					
Interest on investments	33,992	181,991	21,420	237,403	14,021
Proceeds of investment sales & maturities	3,296,882	15,482,943	110,259	18,890,084	1,000,000
Purchase of investments	(2,434,597)	(13,366,177)	-	(15,800,774)	(500,000)
Net cash provided by investing activities	<u>896,277</u>	<u>2,298,757</u>	<u>131,679</u>	<u>3,326,713</u>	<u>514,021</u>
Net increase in cash and cash equivalents	2,017,102	3,473,697	43,489	5,534,288	517,524
Cash and cash equivalents at beginning of year	<u>807,092</u>	<u>4,381,392</u>	<u>390,900</u>	<u>5,579,384</u>	<u>177,679</u>
Cash and cash equivalents at end of year	<u>\$ 2,824,194</u>	<u>\$ 7,855,089</u>	<u>\$ 434,389</u>	<u>\$ 11,113,672</u>	<u>\$ 695,203</u>
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 2,794,415	\$ 5,510,763	\$ 434,389	\$ 8,739,567	\$ 695,203
Restricted cash and cash equivalents - current:					
Customer deposits	29,779	89,744	-	119,523	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	2,253,954	-	2,253,954	-
Construction fund	-	628	-	628	-
	<u>\$ 2,824,194</u>	<u>\$ 7,855,089</u>	<u>\$ 434,389</u>	<u>\$ 11,113,672</u>	<u>\$ 695,203</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, 2020

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 165,632	\$ 3,280,738	\$ 179,517	\$ 3,625,887	\$ (173,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	(10,552)	(9,692)	(510)	(20,754)	-
Depreciation expense	103,467	4,351,729	366,890	4,822,086	39,189
Change in assets and liabilities:					
Increase in accounts receivable - interest	9,343	136,264	7,402	153,009	6,880
(Increase) decrease in accounts receivable - billed (net)	29,481	(155,289)	(27,554)	(153,362)	-
Increase in unbilled accounts receivable	(31,441)	(107,534)	(11,747)	(150,722)	-
(Increase) decrease in due from other governments	1,228,179	(21,538)	4,326	1,210,967	74
(Increase) decrease in inventories	-	29,456	(474)	28,982	2,599
Decrease in prepaid items	11,837	106,835	14,795	133,467	5,753
Increase in deferred outflow-OPEB	(8,117)	(30,973)	(3,475)	(42,565)	(935)
Increase in accounts and contracts payable	38,272	150,980	133,528	322,780	4,766
Increase in accrued liabilities	4,152	45,384	6,391	55,927	1,879
Increase in claims payable	-	-	-	-	16,704
Increase (decrease) in unavailable revenue	-	(5,720)	534	(5,186)	-
Increase in customer deposits	15,566	18,459	603	34,628	-
Increase (decrease) in other postemployment benefits	28,267	60,154	(2,597)	85,824	(2,938)
Increase in compensated absences	1,689	40,166	10,448	52,303	7,150
Increase in deferred inflows of resources	-	1,620	-	1,620	-
Total adjustments	<u>1,420,143</u>	<u>4,610,301</u>	<u>498,560</u>	<u>6,529,004</u>	<u>81,121</u>
Net cash provided (used) by operating activities	<u>\$ 1,585,775</u>	<u>\$ 7,891,039</u>	<u>\$ 678,077</u>	<u>\$ 10,154,891</u>	<u>\$ (92,324)</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Employee Retirement Funds
Assets	
Cash and cash equivalents	\$ 1,049,179
Accounts receivable	2,428
Interest receivable	72,686
Prepaid benefits	124,996
City Contributions	15,614
Investments, at fair value:	
U.S. Government Securities	7,467,343
Municipals	314,848
International Fixed Income	179,316
Equities Common Stock	38,792,075
Mutual Funds	13,864,931
Corporate Bonds	6,585,983
Real Estate	3,037,436
Total Investments	<u>70,241,932</u>
Total Assets	<u>71,506,835</u>
Liabilities	
Accounts payable	<u>17,527</u>
Total Liabilities	<u>17,527</u>
Net Position	
Restricted for Pension Benefits	\$ <u><u>71,489,308</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, 2020

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	\$ 2,175,353
Plan members	550,373
State of Florida	494,102
Total Contributions	<u>3,219,828</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	2,586,883
Interest	1,423,015
Dividends	722,100
	<u>4,731,998</u>
Less Investment Expenses:	
Investment management fees	327,613
	<u>327,613</u>
Net Investment Income	<u>4,404,385</u>
Total Additions	<u>7,624,213</u>
Deductions:	
Benefits	3,039,681
Refunds of contributions	335,885
Administrative expense	177,853
Total Deductions	<u>3,553,419</u>
Change in Net Position	4,070,794
Net Position - Beginning of Year	<u>67,418,514</u>
Net Position - End of Year	<u><u>\$ 71,489,308</u></u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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, 2020

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, 2020, are available from TSHA.

B. Basic Financial Statements

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

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

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

Notes to the Financial Statements
September 30, 2020

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

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

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

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Operating and Non-operating items in Proprietary Funds:

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

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

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

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

Cash and Investments:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

Receivables and payables:

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

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

Inventories and prepaid items:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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 fair value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

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

Net interest cost (interest cost less interest earned on the investment of unexpended debt proceeds) is capitalized for business-type activities on construction projects financed with tax-exempt debt. Interest cost is not capitalized on projects financed by government grants, third party donations or on assets in the governmental funds. Total interest incurred for business-type activities during the current fiscal year was \$1,101,563. There was no capitalized interest in Fiscal Year 2020.

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

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

Long-Term Obligations:

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

Unearned Revenue:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Deferred Outflows of Resources/Deferred Inflows of Resources:

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

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

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

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

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

In accordance with GASB Statement No. 65, the City has previously determined that Differences between Expected and Actual Experience in Pensions are revenues of the subsequent year FY 2021, are to be classified as Deferred Inflows of Resources. Differences between Projected and Actual Earnings in Pensions and OPEB, are to be classified as Deferred Outflows of Resources.

Net Position:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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 \$12,420,218 of restricted net position, of which \$5,417,050 is restricted by enabling legislation.

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

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

Fund Balance:

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

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

Fund Balance/Net Position Policy:

I. Purpose

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

II. Definitions of Fund Balance/Net Position

Fund Balance of Governmental Funds:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

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

Net Position of Proprietary Funds:

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

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

III. Policy

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

IV. Utilization of Surplus Reserves

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

V. Replenishment of Reserve Deficits

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

VI. Annual Review

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

Interfund Transactions:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Establishment/Elimination of Funds:

During the fiscal year ended September 30, 2020 there were no new funds and none were eliminated.

E. Recently Issued and Implemented Accounting Pronouncements

There are no Government Accounting Standards effective in fiscal year 2020 due to the COVID-19 pandemic.

GASB 95 – Postponement of the Effective dates of Certain Authoritative Guidance. This standards primary objective is to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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 2020, 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:

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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 2020, periodic amendments were made to the approved budget.
5. Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.
6. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

The assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2020 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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

Excess of Expenditures Over Appropriations

The City had no expenditures over appropriations.

Deficit Fund Balance/Net Position

The City's Golf Course Enterprise Fund contains a total net position deficit of \$703,468. This is caused by \$2.2 million of capital projects at the golf course since taking over its operation. The interfund transfer to the General Fund was eliminated in FY 2020, limiting Capital expenses to minor items, rate adjustments and possible use of the American Rescue Plan funding will alleviate this deficit.

Note III - Detailed Notes on all Funds

A. Deposits and Investments

Deposits:

All cash of the City is entirely insured either by federal depository insurance corporation (FDIC) or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02. Florida Statutes require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance. At year-end, the carrying amount of the City's deposits that were insured through the "FDIC" or as "Qualified Public Deposits" was \$30,264,414 which consisted of Checking accounts \$5,092,636, BankUnited Public Funds Savings \$9,113,972, and Certificate of Deposits \$16,057,806.

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs. Given this strategy, the basis to determine whether market yields are being achieved shall be the average investment return as stated by the Florida Prime, formerly the SBA, for each fiscal year ending September 30. The average investment return as stated by the Florida Prime for fiscal year ending September 30, 2020 is 1.18%. During Fiscal Year 2020, the average cash/investment pool balance was \$44,858,943 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$683,685 (not including bond/debt service earnings) giving an average rate of return of 1.52% 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:

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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		\$ 107,680			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		5,023,736			
Bond Proceeds		628			
		<u>5,024,364</u>			
Bank of America - Checking Account					
Operating Funds		68,272			
		<u>68,272</u>			
Public Funds Savings Accounts:					
BankUnited		9,113,972			
		<u>9,113,972</u>			
State Board of Administration (Florida Prime)					
Plan A	48 days	7,507,027	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		<u>7,507,027</u>			
Florida Municipal Investment Trust -					
High Quality Government Fund	0.70	153,397	AAAf/S1	Fitch	2
1-3 Year High Quality Bond Fund	1.60	546,697	AAAf/S2	Fitch	2
Intermediate High Quality Bond Fund	3.40	1,148,240	AAAf/S3	Fitch	2
Total Florida Municipal Investment Trust		<u>1,848,334</u>			
Total Cash and Cash Equivalents		<u>23,669,649</u>			
Investments:					
Certificate of Deposit - BankUnited	10/16/2020	1,025,466	n/a		n/a
Certificate of Deposit - BankUnited	11/16/2020	1,000,000	n/a		n/a
Certificate of Deposit - BankUnited	12/16/2020	2,000,000	n/a		n/a
Federal Home Loan Mortgage Corporation	12/18/2020	2,008,074	AA+	S & P	2
Certificate of Deposit - BankUnited	1/2/2021	3,032,340	n/a		n/a
Certificate of Deposit - BankUnited	2/16/2021	1,000,000	n/a		n/a
Federal Home Loan Mortgage Corporation	2/26/2021	2,019,270	AA+	S & P	2
Certificate of Deposit - Synovus	3/6/2021	3,000,000	n/a		n/a
Certificate of Deposit - Centennial	4/16/2021	3,000,000	n/a		n/a
Certificate of Deposit - Centennial	10/17/2021	2,000,000	n/a		n/a
Federal Home Loan Bank Note	12/9/2022	2,005,770	AA+	S & P	1
Federal Farm Credit Bank Note	10/30/2023	1,000,781	AA+	S & P	1
Total Investments		<u>23,091,701</u>			
Total Pooled Cash and Investments		<u>\$ 46,761,350</u>			

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Cash and investments as of September 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position	9/30/2020
Primary Government:	
Cash and cash equivalents	\$ 21,295,544
Investments	17,911,755
Restricted assets:	
Cash and cash equivalents	2,374,105
Investments	5,179,946
Total Pooled Cash and Investments per CAFR	<u>\$ 46,761,350</u>

Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2020, 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, 2020, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities, U. S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

Pension Plan Assets

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Firefighters' Retirement System

Deposits:

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

Investments:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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	\$ 128,718	n/a	1
Investments:			
U. S. Treasuries	671,623	AAA	1
U. S. Government Agencies	-	AAA	1
Municipals	244,419	Aa1/Aa2/Aa3	2
Municipals	59,872	A1/A2/A3	2
Municipals	10,557	Baa1/Baa2	2
Mortgage-Backed Obligations	2,027,530	AAA	2
International Fixed Income	59,275	Aa1/Aa2/Aa3	2
International Fixed Income	49,055	A1/A2/A3	2
International Fixed Income	70,986	Baa1/Baa2	2
Domestic Corporate Bonds	39,222	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	897,540	A1/A2/A3	2
Domestic Corporate Bonds	1,212,069	Baa1/Baa2/Baa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	3,037,436	n/a	n/a
Mutual Funds	1,312,279		
Equities Common Stock	19,487,412	n/a	1
Total Investments	<u>29,179,275</u>		
Total Managed Cash and Investments	<u>\$ 29,307,993</u>		

The real estate fund has no unfunded commitments at September 30, 2020. The redemption frequency is quarterly and requires 30 days notice. The fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments.

Credit Risk:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Interest Rate Risk:

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

Police Officers' Retirement System

Deposits:

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

Investments:

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

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

<u>Police Officers' Retirement System Cash and Investments</u>	<u>Fair Value</u>	<u>Moody's Rating</u>	<u>Hierarchy Level</u>
Cash and Cash Equivalents:			
Cash in Managed Investment Accounts	\$ 920,461	n/a	
Investments:			
U. S. Government Agencies	4,504,433	AAA	1
Mortgage-Backed Obligations	263,757	Not Rated	2
Domestic Corporate Bonds	4,437,152	A1/A2/A3	2
Equities Common Stock	19,304,663	n/a	1
Total Investments	<u>28,510,005</u>		
Total Managed Cash and Investments	<u>\$ 29,430,466</u>		

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Credit Risk:

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

Interest Rate Risk:

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

General Employees’ Retirement Systems

Deposits:

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

Investments:

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

<u>General Employees' Retirement System Investments</u>	<u>Fair Value</u>	<u>Moody's Rating</u>
Investments:		
Mutual Funds - General Employees Pension Plan	\$ 12,552,652	n/a

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Interest Rate Risk:

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

B. Receivables

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

	Governmental Activities					
	Non-Major					Total
	General	CRA	Optional Sales Tax	Governmental Funds	Internal Service	
Interest	\$ 64,874	\$ 2,762	\$ 17,663	\$ 4,142	\$ 2,845	\$ 92,286
Accounts - billed	13,629	-	-	-	-	13,629
Loan	200,000	-	-	-	-	200,000
Taxes	571,813	-	-	-	-	571,813
Total receivables	\$ 850,316	\$ 2,762	\$ 17,663	\$ 4,142	\$ 2,845	\$ 877,728
Allow. for uncollectibles	-	-	-	-	-	-
Net total receivables	\$ 850,316	\$ 2,762	\$ 17,663	\$ 4,142	\$ 2,845	\$ 877,728

	Business-type Activities			
	Non-Major			Total
	Sanitation	Water/Sewer	Enterprise Funds	
Interest	\$ 6,375	\$ 37,933	\$ 2,842	\$ 47,150
Accounts - billed	407,740	1,263,938	142,281	1,813,959
Accounts - unbilled	192,904	698,329	69,785	961,018
	607,019	2,000,200	214,908	2,822,127
Allow. for uncollectibles	(61,321)	(134,427)	(9,790)	(205,538)
Net total receivables	\$ 545,698	\$ 1,865,773	\$ 205,118	\$ 2,616,589
Restricted:				
Accrued interest	-	6,214	-	6,214
Accounts - billed	-	3,884	-	3,884
Total restricted receivables	\$ -	\$ 10,098	\$ -	\$ 10,098

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

C. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 6,719,926	\$ 1,971	\$ -	\$ 6,721,897
Construction in progress	3,331,355	3,289,048	(1,908,823)	4,711,580
Total capital assets, not being depreciated	<u>10,051,281</u>	<u>3,291,019</u>	<u>(1,908,823)</u>	<u>11,433,477</u>
Capital assets, being depreciated:				
Buildings	25,225,867	-	-	25,225,867
Improvements other than buildings	19,046,023	2,058,596	-	21,104,619
Machinery and equipment	12,057,250	1,718,028	(871,132)	12,904,146
Infrastructure	47,964,338	359,963	-	48,324,301
Total capital assets, being depreciated	<u>104,293,478</u>	<u>4,136,587</u>	<u>(871,132)</u>	<u>107,558,933</u>
less accumulated depreciation for:				
Buildings	(14,809,151)	(742,459)	-	(15,551,610)
Improvements other than buildings	(8,002,066)	(1,001,367)	-	(9,003,433)
Machinery and equipment	(8,891,275)	(1,089,288)	836,690	(9,143,873)
Infrastructure	(29,234,810)	(1,239,332)	-	(30,474,142)
Total accumulated depreciation	<u>(60,937,302)</u>	<u>(4,072,446)</u>	<u>836,690</u>	<u>(64,173,058)</u>
Total capital assets, being depreciated, net	43,356,176	64,141	(34,442)	43,385,875
Governmental activities capital assets, net	<u>\$ 53,407,457</u>	<u>\$ 3,355,160</u>	<u>\$ (1,943,265)</u>	<u>\$ 54,819,352</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 3,459,687	\$ -	\$ -	\$ 3,459,687
Construction in progress	5,568,658	2,417,368	(5,572,328)	2,413,698
Total capital assets, not being depreciated	<u>9,028,345</u>	<u>2,417,368</u>	<u>(5,572,328)</u>	<u>5,873,385</u>
Capital assets, being depreciated:				
Buildings	2,025,880	17,970	-	2,043,850
Improvements other than buildings	127,761,029	7,273,599	-	135,034,628
Machinery and equipment	7,763,691	772,194	(6,044)	8,529,841
Total capital assets, being depreciated	<u>137,550,600</u>	<u>8,063,763</u>	<u>(6,044)</u>	<u>145,608,319</u>
less accumulated depreciation for:				
Buildings	(658,072)	(83,678)	-	(741,750)
Improvements other than buildings	(45,491,659)	(4,100,305)	-	(49,591,964)
Machinery and equipment	(5,572,706)	(638,103)	6,044	(6,204,765)
Total accumulated depreciation	<u>(51,722,437)</u>	<u>(4,822,086)</u>	<u>6,044</u>	<u>(56,538,479)</u>
Total capital assets, being depreciated, net	85,828,163	3,241,677	-	89,069,840
Business-type activities capital assets, net	<u>\$ 94,856,508</u>	<u>\$ 5,659,045</u>	<u>\$ (5,572,328)</u>	<u>\$ 94,943,225</u>

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Governmental activities:	
General government	\$ 494,710
Public safety	1,245,721
Physical environment	168,321
Transportation	1,309,579
Economic environment	189,141
Culture/recreation	625,785
Internal service funds	<u>39,189</u>
Total depreciation expense - governmental activities	<u>\$ 4,072,446</u>
Business-type activities:	
Sanitation	\$ 103,467
Water and Sewer	4,351,729
Stormwater	281,439
Marina	16,385
Golf Course	<u>69,066</u>
Total depreciation expense - business-type activities	<u>\$ 4,822,086</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, 2020, is as follows:

Due to / from other funds:

As discussed in Note I – D, individual fund deficits from all pooled cash and investment accounts, if any, have been reclassified as of September 30, 2020, as inter-fund loans from the General Fund, which was selected by management for this purpose.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

The amounts of the reclassified balances at September 30, 2020 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,319,121	\$ -
Enterprise Fund:		
Marina	-	13,248
Golf Course	-	1,305,873
Total	<u>\$ 1,319,121</u>	<u>\$ 1,319,121</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 50,469
Special Revenue Fund:		
CRA	-	100,000
Impact Fees	-	183,149
Enterprise Fund:		
Sanitation	323,521	-
Water-Sewer	100,000	
Golf Course	-	140,372
Internal Service Fund:		
Risk Management	50,469	-
Total	<u>\$ 473,990</u>	<u>\$ 473,990</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 \$35,937 in Fiscal Year 2020. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2020, the unpaid advance was \$140,372, which is included in the total advances of \$473,990 in the City's financial statements.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

In Fiscal Year 2014, the risk management fund advanced funds to the general fund in the amount of \$601,078 for the purpose of providing the balance of monies required for the energy performance contract expenditures. This advance was decreased with a reimbursement of \$103,314 in Fiscal Year 2020. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2020, the unpaid advance was \$50,469, which is included in the total advances of \$473,990 in the City's financial statements.

In Fiscal Year 2017, the sanitation fund advanced funds to the fire impact fund in the amount of \$500,000 for the purpose of providing the balance of monies required for the construction of fire station 71. This advance was decreased with a reimbursement of \$50,000 in Fiscal Year 2020. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2020, the unpaid advance was \$183,149, which is included in the total advances of \$473,990 in the City's financial statements.

In Fiscal Year 2018, the water-sewer fund advanced funds to the community redevelopment agency CRA fund in the amount of \$350,000 for the purpose of providing the balance of monies required for the purchase of the Sunbay Motel property. This advance was decreased with a reimbursement of \$175,000 in Fiscal Year 2020. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2020, the unpaid advance was \$100,000, which is included in the total advances of \$473,990 in the City's financial statements.

Interfund transfers:

	Transfer In:		
	General Fund	Non-major Governmental Funds	Total
Transfer Out:			
General Fund	\$ -	\$ 254,241	\$ 254,241
Non-major Governmental Funds	284,337	290,000	574,337
Enterprise Funds:			
Sanitation	409,759	-	409,759
Water & Sewer	1,364,242	-	1,364,242
Non-major Enterprise Funds	130,160	-	130,160
	<u>\$ 2,188,498</u>	<u>\$ 544,241</u>	<u>\$ 2,732,739</u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

E. Leases

Operating Leases:

The City is lessor on various leases. Aggregate rental income totaled \$479,900 in fiscal year 2020. Included in this amount are rents of \$363,461 received under the terms of a 40-year lease dated September 1, 2000, with the Tarpon Springs Hospital Foundation, Inc. for rental of the Helen Ellis Memorial Hospital property and facilities that are owned by the City. The previous lease with the Tarpon Springs Health Facilities Authority was terminated on September 1, 2000 and a new lease between the City and the Tarpon Springs Hospital Foundation, Inc. was commenced on September 1, 2000. The annual rent with the new lease is \$250,000 and on the fifth anniversary the base rent shall be increased by ten percent and on each annual anniversary thereafter the annual base rent shall be increased by two percent.

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

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 of \$479,900 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

commence accruing at such time at a rate of eighteen percent (18%) per annum. The loan is recorded as an accounts receivable in the City's financial statements at September 30, 2020 in the amount of \$200,000.

Also included in the aggregate rental income of \$479,900 is \$36,000 received under the terms of a 5-year lease dated August 1, 2005 (Commencement date) with GTP Towers I, LLC ("Global Tower") who was assigned the lease on May 27, 2008 from Ridan Industries, LLC to construct, maintain, and operate a communication tower on property at the City's Fire Station #2. The lease was renewed with GTP Towers I, LLC ("Global Tower") on August 1, 2010 for an additional five years. On October 1, 2013 American Tower acquired the ownership of GTP Towers I, LLC with no change in the lease agreement. The annual rent initially with the lease was \$30,000 (\$2,500 per month) and commencing with the second (2nd) year of the agreement the basic monthly rent shall be adjusted annually upon each anniversary of the commencement date of this agreement, by any change in the index now known as "United States Bureau of Labor Statistics, Consumer Price Index for Urban Consumers".

On August 7, 2018 Ordinance 2018-20 was approved by the Board of Commissioners which submitted to the electors of the City of Tarpon Springs the sale of a perpetual exclusive easement over a portion of the City-Owned property located at 1025 Gulf Road. The sale to American Tower Corporation was finalized in June 2020 and the City received \$720,000 on July 1, 2020 with rent payments no longer being required.

Capital Leases:

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

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and equipment	\$ 1,094,792
Less: Accumulated depreciation	(45,616)
Total	<u><u>\$ 1,049,176</u></u>

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

Year ending September 30,	Governmental Activities	
	Fire Ladder Truck	
	2020	
2021	\$	239,599
2022		239,599
2023		239,599
2024		239,599
Total minimum lease payments		958,396
Less: amount representing interest		(64,275)
Present value of minimum lease payments	\$	894,121

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

F. Long-Term Debt

Utility System Revenue Bonds:

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

The 2013A-1 serial bonds are due in annual installments of \$280,000 at October 1, 2020 to \$355,000 due October 1, 2028, interest at 2.00% to 4.00%; 3.375% term bonds in the amount of \$1,950,000 due October 1, 2029 to October 1, 2033 in annual installments of \$365,000 to \$415,000; 3.50% term bonds in the amount of \$1,335,000 due October 1, 2034 to October 1, 2036 in annual installments of \$430,000 to \$460,000.

The 2013A-2 serial bonds are due in annual installments of \$660,000 at October 1, 2020 to \$835,000 due October 1, 2028, interest at 2.00% to 5.00%; 3.375% term bonds in the amount of \$3,680,000 due October 1, 2029 to October 1, 2033 in annual installments of \$670,000 to \$805,000; 5.00% term bonds in the amount of \$1,000,000 due October 1, 2029 to October 1, 2033 in annual installments of \$200,000; 3.50% term bonds in the amount of \$3,240,000 due October 1, 2034 to October 1, 2036 in annual installments of \$1,045,000 to \$1,115,000; 3.625% term bonds in the amount of \$2,600,000 due October 1, 2037 to October 1, 2038 in annual installments of \$1,270,000 to \$1,330,000; 5.00% term bonds in the amount of \$730,000

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

due October 1, 2037 to October 1, 2038 in annual installments of \$365,000; 3.75% term bonds in the amount of \$7,465,000 due October 1, 2039 to October 1, 2042 in annual installments of \$1,765,000 to \$1,970,000.

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

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

Year Ended September 30 -	Utility System Revenue Bonds					
	2013A-1		2013A-2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	290,000	185,313	685,000	885,250	975,000	1,070,563
2022	300,000	178,513	695,000	871,550	995,000	1,050,063
2023	310,000	169,138	715,000	846,975	1,025,000	1,016,113
2024	315,000	161,369	745,000	823,431	1,060,000	984,800
2025	325,000	153,494	760,000	478,494	1,085,000	631,988
2026-2030	1,775,000	613,069	4,200,000	3,632,375	5,975,000	4,245,444
2031-2035	2,085,000	301,094	5,030,000	2,801,813	7,115,000	3,102,906
2036-2040	460,000	16,100	8,040,000	1,700,488	8,500,000	1,716,588
2041-2042	-	-	3,870,000	219,000	3,870,000	219,000
Totals	\$ 5,860,000	\$ 1,778,088	\$ 24,740,000	\$ 12,259,375	\$ 30,600,000	\$ 14,037,463

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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, 2020 are \$30,600,000, Series 2013A-1 \$5,860,000 and Series 2013A-2 \$24,740,000. Interest paid for the current year and net revenues were Series 2013A-1 \$196,513 and Series 2013A-2 \$905,050 and \$8,013,265 respectively. There was no Interest expense capitalized in Fiscal Year 2020.

Long-term liability activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases payable:					
Capital leases	\$ -	\$ 1,094,792	\$ (200,671)	\$ 894,121	\$ 216,743
Total capital leases payable	-	1,094,792	(200,671)	894,121	216,743
Other Liabilities:					
Compensated absences	\$ 1,346,230	\$ 855,458	\$ (704,901)	\$ 1,496,787	\$ 70,988
Other postemployment benefits	2,203,047	589,814	(139,161)	2,653,700	-
Net pension liability	7,618,706	301,451	-	7,920,157	-
Claims payable	112,434	80,241	(63,537)	129,138	11,638
Governmental activities					
Long-term liabilities	<u>\$ 11,280,417</u>	<u>\$ 2,921,756</u>	<u>\$ (1,108,270)</u>	<u>\$ 13,093,903</u>	<u>\$ 299,369</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 31,540,000	\$ -	\$ (940,000)	\$ 30,600,000	\$ 975,000
Less deferred amounts:					
For issuance premiums (discounts)	361,421	-	(73,449)	287,972	-
Net utility system revenue bonds	<u>31,901,421</u>	<u>-</u>	<u>(1,013,449)</u>	<u>30,887,972</u>	<u>975,000</u>
Total bonds and notes payable	<u>31,901,421</u>	<u>-</u>	<u>(1,013,449)</u>	<u>30,887,972</u>	<u>975,000</u>
Other Liabilities:					
Compensated absences	292,381	295,919	(243,616)	344,684	15,829
Other postemployment benefits	320,697	107,142	(21,318)	406,521	-
Business-type activities					
Long-term liabilities	<u>\$ 32,514,499</u>	<u>\$ 403,061</u>	<u>\$ (1,278,383)</u>	<u>\$ 31,639,177</u>	<u>\$ 990,829</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 \$21,041 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities, are generally liquidated by the

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

general fund with \$1,475,746. Also, for governmental activities, net pension liabilities and other post-employment benefits are liquidated by 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 \$497,695 for Fiscal Year 2020. Claims for each occurrence above \$25,000 and above \$497,695 for all occurrences for the fiscal year, along with the related legal fees, are covered by the Florida League of Cities. Settled claims have not exceeded excess coverage in any of the past three years. The unrestricted net position balance of \$1,072,006 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, 2020 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, 2020.

Changes in the claims liability amounts in Fiscal Years 2020 and 2019 were:

	Self Insurance
Balance at September 30, 2018	\$ 174,170
Current year claims and changes in estimates	86,032
Claim payments	(147,768)
Balance at September 30, 2019	112,434
Current year claims and changes in estimates	80,241
Claim payments	(63,537)
Balance at September 30, 2020	<u><u>\$ 129,138</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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

based upon past experience, i.e., claims incurred. The City purchases health, dental, life and long-term disability insurance for the employees, employees pay for a portion of their own dependent coverage. Health and Dental insurance is purchased through Florida Municipal Insurance Trust. Life and Long-Term Disability insurance is purchased through Hartford Life & Accident.

B. Deferred Compensation Plan

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

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

C. Conduit Debt

From time to time, the City will issue conduit debt to fulfill a public need or purpose. Conduit debt is not reported as liabilities in the financial statements of the City and the City is not obligated in any manner for their repayment. As of September 30, 2020, there were no conduit debt obligations of the City.

D. Landfill Monitoring Costs

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

On August 24, 2012 a new permit titled "Solid Waste Closure [long-term care] Permit – Landfill" was issued by the Florida Department of Environmental Protection which replaces the previous permit. This extension of the long-term care period was required at the facility for an indefinite period of time until sufficient data has been collected to demonstrate that the site has "stabilized" as defined in Rule 17-701.020(64), F.A.C. The new permit (which expires August 24, 2022) states that financial assurance is no longer required for this facility. The City had expenses of \$10,022 in Fiscal Year 2020 for post-closure monitoring and maintenance at the facility.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

E. Commitments and Contingencies

The following table lists the outstanding encumbrances at September 30, 2020. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

	Governmental Activities			Total
	General Fund	Optional Sales Tax	Non-Major Governmental Funds	
Encumbrances Outstanding	\$ 787,522	\$ 625,261	\$ 165,070	\$ 1,577,853

	Business-Type Activities			Total
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	
Encumbrances Outstanding	\$ 86,715	\$ 1,366,193	\$ 2,880,651	\$ 4,333,559

General Fund – of the amount above, \$565,974 is for Cemetery Expansion Phase I.

Optional Sales Tax – of the amount noted above, \$206,618 is for Court Street Improvements; \$191,063 for Roadway Reconfiguration Tarpon Avenue.

Non-Major Governmental Funds - of the amount noted above, \$47,953 is for Sunset Beach Entranceway; \$30,124 for Court Street Improvements.

Sanitation Fund - of the amount noted above, \$44,858 is for Yard Waste Scale.

Water and Sewer – of the amount noted above, \$423,145 is for Pent/Grosse Stormwater Project; \$139,505 for new City Clerk Building Engineering; \$90,504 for Seabreeze Drive Engineering; \$79,975 for Harn R/O Water Plant Equipment.

Non-Major Enterprise Funds – of the amount noted above, \$2,790,063 is for Pent/Grosse Stormwater Project.

During Fiscal Year 2020 and prior fiscal years, the City received revenues and contributions related to grants from Southwest Florida Water Management District, the State of Florida, the federal government and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

F. Other Post Employment Benefits (OPEB)

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

Plan Description and Funding Policy

The City of Tarpon Springs administers a single employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and their eligible dependents. Because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required by Section 112.0801, Florida Statutes, to provide retirees with the opportunity to participate in this Plan. Employees who retire from the City of Tarpon Springs and their dependents are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 294 active employees and 17 retired, inactive employees were participating in the City's health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Total OPEB Liability

The measurement date for the City's liability is September 30, 2020, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2019 to September 30, 2020. The components of the City's OPEB liability at September 30, 2020 are as follows:

Total OPEB liability	\$ 3,060,221
OPEB Plan fiduciary net position	-
City's net OPEB liability	<u><u>\$ 3,060,221</u></u>

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

Notes to the Financial Statements September 30, 2020

Actuarial Assumptions – The total OPEB liability at September 30, 2020 was based on the actuarial valuation for the period October 1, 2019 to September 30, 2020. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	2.40%
Discount Rate	2.41%
Healthcare cost trend rate	4.50%

Mortality rates were based:

General Employees-SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.

Police and Fire Employees-SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020.

Surviving Spouses-SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.

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, 2020 was 2.41%. The discount rate used to measure the Total liability at September 30, 2019 was 3.58%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability. The Fidelity 20-Year Go Municipal Bond Index rates were applied for the applicable time periods.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2019	\$ 2,523,744
Changes for the Year:	
Service cost	173,739
Interest	93,722
Changes in assumptions	311,583
Differences between expected and actual experience	117,912
Benefit payments	(160,479)
Net Changes	536,477
Balances at September 30, 2020	<u>\$ 3,060,221</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate – The following table represents the total OPEB liability, calculated using the discount rate of 2.41%, as well as what the City's total liability would be if it were calculated using a discount rate that is one

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

percentage-point lower (1.41%) or one percentage-point higher (3.41%) than the current discount rate:

	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	\$ 3,308,447	\$ 3,060,221	\$ 2,835,678

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 4.5%, as well as what the City’s total liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (3.5%) or one percentage-point higher (5.5%) than the current discount rate:

	1% Decrease 3.50%	Current Healthcare Cost Trend Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 2,780,979	\$ 3,060,221	\$ 3,384,554

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2020 the City recognized OPEB expense of \$390,588. At September 30, 2020, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$282,514	-
Changes in assumptions	347,203	-
Total	\$629,717	\$ -

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Year Ended September 30:

2021	\$	123,127
2022		123,127
2023		123,127
2024		123,129
2025		75,854
Thereafter		61,353
	\$	<u>629,717</u>

G. Employee Pension Plans

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

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

Defined Benefit Pension Plans for Firefighters and Police Officers

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

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

The Florida Constitution requires local governments to make the actuarially determined contributions. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its use for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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, 2019:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	46
	<u>89</u>

Benefits provided:

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

Normal Retirement:

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

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

Minimum benefit amount: \$450

Early Retirement:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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.

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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Net Pension Liability:

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2019 through September 30, 2020.

The sponsor's Net Pension Liability was measured as of September 30, 2020.

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, 2019 updated to September 30, 2020 using the following actuarial assumptions:

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

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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, 2019 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.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

The long-term expected rate of return on pension plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

Discount Rate:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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, 2018	\$ 33,006,203	\$ 29,037,340	3,968,863
Changes for a year:			
Service cost	758,884	-	758,884
Interest	2,473,025	-	2,473,025
Change in Excess State Money	-	-	-
Differences between Expected and Actual Experience	(278,163)	-	(278,163)
Changes of assumptions	(244,872)	-	(244,872)
Contributions - Employer	-	487,500	(487,500)
Contributions - State	-	274,483	(274,483)
Contributions - Employee	-	290,389	(290,389)
Contributions - Buy Back	-	-	-
Net Investment Income	-	1,011,772	(1,011,772)
Benefit Payments, including Refunds of Employee Contributions	(1,582,830)	(1,582,830)	-
Administrative Expense	-	(49,308)	49,308
Net Changes	1,126,044	432,006	694,038
Reporting Period Ending September 30, 2019	<u>\$ 34,132,247</u>	<u>\$ 29,469,346</u>	<u>\$ 4,662,901</u>

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Sponsor's Net Pension (Asset) Liability	\$ 8,733,367	\$ 4,662,901	\$ 1,321,846

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, 2020, the City recognized a Pension Expense of \$1,568,915.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

On September 30, 2020, 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	\$ 391,938	\$ 208,623
Changes of assumptions	-	183,654
Net difference between Projected and Actual Earnings on Pension Plan investments	1,711,889	-
Total	<u>\$ 2,103,827</u>	<u>\$ 392,277</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:

2021	\$ 455,145
2022	550,893
2023	476,655
2024	228,857
2025	-
Thereafter	-
Total	<u>\$ 1,711,550</u>

Firefighters Pension Plan

Plan Description:

Plan administration:

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

The Board of Trustees is comprised of:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

Plan membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	34
	<u>77</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, 2020

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, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2019 through September 30, 2020.

The sponsor's Net Pension Liability was measured as of September 30, 2020.

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, 2019 updated to September 30, 2020 using the following actuarial assumptions:

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

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

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

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

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

For 2020 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2020**

Discount Rate:

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

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2019	\$ 30,948,998	\$ 27,299,155	\$ 3,649,843
Changes for a year:			
Service cost	618,856	-	618,856
Interest	2,388,833	-	2,388,833
Differences between Expected and Actual Experience	(99,941)	-	(99,941)
Changes of assumptions	360,735	-	360,735
Contributions - Employer	-	797,112	(797,112)
Contributions - State	-	219,619	(219,619)
Contributions - Employee	-	251,256	(251,256)
Net Investment Income	-	2,478,669	(2,478,669)
Benefit Payments, including Refunds of Employee Contributions	(1,488,398)	(1,488,398)	-
Administrative Expense	-	(85,586)	85,586
Net Changes	1,780,085	2,172,672	(392,587)
Reporting Period Ending September 30, 2020	\$ 32,729,083	\$ 29,471,827	\$ 3,257,256

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2020

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Sponsor's Net Pension Liability	\$ 7,278,432	\$ 3,257,256	\$ (71,910)

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, 2020, the City recognized a Pension Expense of \$811,148.

On September 30, 2020, 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	\$ 177,232	\$ 74,955
Changes of assumptions	661,761	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	55,685
Total	<u>\$ 838,993</u>	<u>\$ 130,640</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:

2021	\$ 102,520
2022	260,289
2023	420,512
2024	(74,968)
2025	-
Thereafter	-
Total	<u>\$ 708,353</u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2020

	Police Officers Pension Plan	Firefighters Pension Plan	Totals
Net Pension Liability	\$ 4,662,901	\$ 3,257,256	\$ 7,920,157
Deferred Outflows	\$ 2,103,827	\$ 838,993	\$ 2,942,820
Deferred Inflows	\$ 392,277	\$ 130,640	\$ 522,917
Pension Expense	\$ 1,568,915	\$ 811,148	\$ 2,380,063

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

STATEMENT OF NET POSITION - PENSION TRUST FUNDS

	Police Officers Pension	Firefighters Pension
Assets		
Cash and cash equivalents:		
Short Term Investments	\$ 920,461	\$ -
Prepaid Benefits	-	124,996
Money Market	-	643,500
Cash	-	128,718
Total Cash and cash equivalents:	920,461	897,214
Receivables:		
City Contributions in Transit	8,142	-
Additional City Contributions	7,472	-
Tax Reclaims	-	2,428
Investment Income	32,873	39,813
Total Receivables:	48,487	42,241
Investments:		
U.S. Bonds and Bills	4,504,433	179,317
Federal Agency Guaranteed Securities	263,757	3,367,931
Corporate Bonds	4,437,152	2,148,829
Municipal Obligations	-	314,848
Stocks	5,136,181	19,487,412
Mutual Funds: Equity	14,168,482	-
Pooled/Common/Commingled Funds: Real Estate	-	3,037,438
Total Investments	28,510,005	28,535,775
Total Assets	29,478,953	29,475,230
Liabilities		
Payables:		
Prior Refunds	1,232	-
Administrative Expenses	8,375	3,403
Total Liabilities	9,607	3,403
Net Position		
Net Position Restricted for Pensions	\$ 29,469,346	\$ 29,471,827

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2020

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS

	Police Officers Pension	Firefighters Pension
Additions:		
Contributions:		
Plan members	\$ 290,389	\$ 251,256
Employer	487,500	797,112
State of Florida	274,483	219,619
Total Contributions	<u>1,052,372</u>	<u>1,267,987</u>
Investment Income:		
Net increase in fair value of investments	622,985	2,002,197
Interest & Dividends	549,056	603,881
Less Investment Expense (a)	(160,269)	(127,409)
Net Investment Income	<u>1,011,772</u>	<u>2,478,669</u>
Total Additions	<u>2,064,144</u>	<u>3,746,656</u>
Deductions:		
Distributions to Members:		
Benefit Payments	1,248,177	1,488,398
Lump Sum DROP Distributions	<u>334,653</u>	<u>-</u>
Total Distributions	<u>1,582,830</u>	<u>1,488,398</u>
Administrative Expense	49,308	85,586
Total Deductions	1,632,138	1,573,984
Net Increase in Net Position	432,006	2,172,672
Net Position Restricted for Pensions - Beginning of Year	<u>29,037,340</u>	<u>27,299,155</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 29,469,346</u>	<u>\$ 29,471,827</u>

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

Defined Contribution Pension Plans

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

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

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

At September 30, 2020, there were 205 active Plan members, 121 vested and 84 partially vested. The City contributes 8.7% of covered salary beginning after three months of employment and Plan members do not contribute to the Plan but can contribute to the ICMA Deferred Compensation Plan. Plan provisions and contribution requirements are established and may be amended by the BOC. Employer contributions become vested on a graduated basis at the rate of 20% per Plan year with full vesting after five vested years of employment. The total City contributions to the General Employees pension plan during Fiscal Year 2020 were \$890,742.

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, 2020

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, 2020, the General Employees Pension fund held investments (other than U.S. Government and U.S. Government guaranteed obligations) in the following organizations comprising 5% or more of the net position available for benefits.

<u>Asset Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
JPMorgan SmartRetirement 2020	48,439	\$ 863,671
JPMorgan SmartRetirement 2025	56,457	1,026,380
JPMorgan SmartRetirement 2030	94,767	1,822,360
JPMorgan SmartRetirement 2035	52,082	1,046,839
MFS Growth Allocation R4	32,979	740,048

***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 Eight Fiscal Years*

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

Notes to Schedule:

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

Changes of benefit terms:

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

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

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

For measurement date 9/30/15, amounts reported as benefit changes were resulted from Ordinance 2015-05 was adopted which implemented the following Plan changes:

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

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

Changes of assumptions:

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

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

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

1. Salary increases changed from a flat 7.0% to one based on Credited Service.
2. Investment return assumption was reduced from 7.9% to 7.7%.
3. Reducing the payroll growth assumption from 1.76% to 0%.
4. Changing the turnover table from an age based table to a service based table.
5. Changing the retirement age assumption from 100% at age 50 with 10 years of Credited Service to age 52 with 10 years of Credited Service and assuming 5% rates prior to age 52. 100% is also assumed upon attainment of 25 years of Credited Service.
6. Changing the mortality table to the same rates as used by the Florida Retirement System (FRS) in their July 1, 2015 valuation as required by State law.

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

* Information only available for eight years.

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

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

Notes to Schedule:

Changes of benefit terms:

For measurement date 09/30/19, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions:

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

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

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

* Information only available for eight years.

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

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

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

Notes to Schedule:

Valuation Date:

10/1/2018

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

Methods and assumptions used to determine contribution rates:

Funding Method:

Entry Age Normal Actuarial Cost Method

Amortization Method:

Level Percentage of Pay, Closed.

Remaining Amortization Period:

27 Years (as of 10/01/2017)

Asset Smoothing Methodology:

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a demeris bias that is above or below the Market Value of Assets.

Salary Increases:

Salary increases are based on the following table:

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

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

Interest Rate:

7.5% per year, compounded annually net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Payroll Growth:

No payroll growth.

Marriage Rates:

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

Retirement Age:

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

Early Retirement:

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

Termination Rate:

Turnover is based on the following table:

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

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

Disability Rate:

Table 1205, see sample rates.

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

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

Mortality Rate:

Healthy Active Lives:

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

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

Healthy Inactive Lives:

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

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

Disabled Lives:

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

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

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

* Information only available for eight years.

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

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

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

Notes to Schedule:

Valuation Date: 10/1/2018

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

Methods and assumptions used to determine contribution rates:

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

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2017 valuation)

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.

Salary Increases: 7% per year for Members with less than 10 years of service, 5.5% for those with 10 or more years of service. This assumption is supported by an experience study issued on June 28, 2012. Projected Salary at retirement is increased 20% before 10/1/2000, 10% 10/1/2000 - 9/30/11, 0.0% on and after 10/1/11. This is based on the expected amount of sick or annual leave time accrued at retirement.

Interest Rate: 7.9% per year, compounded annually net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

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

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

Normal Retirement Rates:

Number of Years after First Eligibility for Normal Retirement	Probability of Retirement
0	50%
1 or more	100%

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

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

Mortality Rate: Healthy Active Lives:
Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.
Male: RP2000 Generational, 10% Combined Healthy White Collar, 90% Annuitant Blue Collar, Scale BB.
Healthy Inactive Lives:
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar, 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of morality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Termination and Disability Rate Table.

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

* Information only available for eight years.

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

Police Officers Pension Trust Fund
Schedule of Investment Returns

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

Firefighters Pension Trust Fund
Schedule of Investment Returns

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

Notes to Schedule:

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

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

	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability:			
Service Cost	\$ 173,739	\$ 155,770	\$ 128,874
Interest	93,722	98,666	69,877
Differences between Expected and Actual Experience	117,912	-	317,530
Changes in Assumptions	311,583	101,497	13,362
Benefit Payments	(160,479)	(106,754)	(101,479)
Net Change in Total OPEB Liability	536,477	249,179	428,164
Total OPEB Liability - Beginning	2,523,744	2,274,565	1,846,401
Total OPEB Liability - Ending	<u>\$ 3,060,221</u>	<u>\$ 2,523,744</u>	<u>\$ 2,274,565</u>
Covered Employee Payroll	\$ 16,045,850	\$ 15,758,601	\$ 15,359,260
Net OPEB Liability as a Percentage of Covered Employee Payroll	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 three years of information is available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Special Revenue Funds:

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

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

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

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

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

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

Capital Projects Funds:

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

General Projects Fund - This fund is used to account for the annual street and sidewalk construction projects. Funding is provided by transfers from the 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, 2020**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
ASSETS						
Cash and cash equivalents	\$ 101,798	\$ 1,156,052	\$ 110,863	\$ 250,346	\$ 430,547	\$ 2,049,606
Investments	-	300,000	-	-	-	300,000
Accrued interest receivable	-	4,142	-	-	-	4,142
Due from other governments	49,948	-	9,182	-	-	59,130
Total Assets	<u>\$ 151,746</u>	<u>\$ 1,460,194</u>	<u>\$ 120,045</u>	<u>\$ 250,346</u>	<u>\$ 430,547</u>	<u>\$ 2,412,878</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 79,838	\$ -	\$ 1,308	\$ 3,736	\$ 84,882
Accrued liabilities	-	-	5,949	-	-	5,949
Contracts payable	-	-	-	-	-	-
Advance from other funds	-	183,149	-	-	-	183,149
Total Liabilities	<u>-</u>	<u>262,987</u>	<u>5,949</u>	<u>1,308</u>	<u>3,736</u>	<u>273,980</u>
Deferred Inflows of Resources:						
Unavailable revenue	-	4,142	-	-	-	4,142
Total Deferred Inflows of Resources::	<u>-</u>	<u>4,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,142</u>
Fund Balances:						
Restricted for:						
Transportation	151,746	-	-	-	-	151,746
Capital projects - impact fee programs	-	1,193,065	-	-	-	1,193,065
Law enforcement programs	-	-	-	249,038	-	249,038
Grant programs	-	-	114,096	-	-	114,096
Public art program	-	-	-	-	261,025	261,025
Land Preservation	-	-	-	-	50,270	50,270
Committed to:						
Sidewalks	-	-	-	-	-	-
Employee benefit cost deferral	-	-	-	-	115,516	115,516
Total Fund Balances	<u>151,746</u>	<u>1,193,065</u>	<u>114,096</u>	<u>249,038</u>	<u>426,811</u>	<u>2,134,756</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 151,746</u>	<u>\$ 1,460,194</u>	<u>\$ 120,045</u>	<u>\$ 250,346</u>	<u>\$ 430,547</u>	<u>\$ 2,412,878</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Sidewalk Improvement	Total	
\$ 276,843	\$ 1,938,216	\$ 2,215,059	\$ 4,264,665
-	-	-	300,000
-	-	-	4,142
-	-	-	59,130
<u>\$ 276,843</u>	<u>\$ 1,938,216</u>	<u>\$ 2,215,059</u>	<u>\$ 4,627,937</u>

\$ 69,215	\$ -	\$ 69,215	\$ 154,097
-	-	-	5,949
5,055	-	5,055	5,055
-	-	-	183,149
<u>74,270</u>	<u>-</u>	<u>74,270</u>	<u>348,250</u>
-	-	-	4,142
-	-	-	4,142

202,573	-	202,573	354,319
-	-	-	1,193,065
-	-	-	249,038
-	-	-	114,096
-	-	-	261,025
-	-	-	50,270
-	1,938,216	1,938,216	1,938,216
-	-	-	115,516
<u>202,573</u>	<u>1,938,216</u>	<u>2,140,789</u>	<u>4,275,545</u>
<u>\$ 276,843</u>	<u>\$ 1,938,216</u>	<u>\$ 2,215,059</u>	<u>\$ 4,627,937</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, 2020

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
Revenues:						
Taxes	\$ 305,692	\$ -	\$ -	\$ -	\$ -	\$ 305,692
Permits and fees	-	694,810	-	-	-	694,810
Intergovernmental	-	-	154,384	90,801	-	245,185
Fines and forfeitures	-	-	-	6,486	-	6,486
Other	817	22,801	1,667	2,174	29,487	56,946
Total Revenues	<u>306,509</u>	<u>717,611</u>	<u>156,051</u>	<u>99,461</u>	<u>29,487</u>	<u>1,309,119</u>
Expenditures:						
Current:						
Public Safety:						
Police	-	-	-	40,951	-	40,951
Fire	-	-	392,355	-	-	392,355
Culture and Recreation:						
Other	-	-	-	-	25,398	25,398
Capital Outlay	<u>-</u>	<u>450,360</u>	<u>-</u>	<u>-</u>	<u>19,250</u>	<u>469,610</u>
Total Expenditures	<u>-</u>	<u>450,360</u>	<u>392,355</u>	<u>40,951</u>	<u>44,648</u>	<u>928,314</u>
Excess of Revenues Over (Under) Expenditures	<u>306,509</u>	<u>267,251</u>	<u>(236,304)</u>	<u>58,510</u>	<u>(15,161)</u>	<u>380,805</u>
Other Financing Sources (Uses):						
Transfers in	-	-	254,241	-	-	254,241
Transfers out	<u>(350,000)</u>	<u>-</u>	<u>(6,903)</u>	<u>-</u>	<u>(77,434)</u>	<u>(434,337)</u>
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>247,338</u>	<u>-</u>	<u>(77,434)</u>	<u>(180,096)</u>
Net Change in Fund Balances	(43,491)	267,251	11,034	58,510	(92,595)	200,709
Fund Balances - Beginning of Year	<u>195,237</u>	<u>925,814</u>	<u>103,062</u>	<u>190,528</u>	<u>519,406</u>	<u>1,934,047</u>
Fund Balances - End of Year	<u>\$ 151,746</u>	<u>\$ 1,193,065</u>	<u>\$ 114,096</u>	<u>\$ 249,038</u>	<u>\$ 426,811</u>	<u>\$ 2,134,756</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Sidewalk Improvement	Total	
\$ -	\$ -	\$ -	\$ 305,692
-	-	-	694,810
-	-	-	245,185
-	-	-	6,486
1,772	40,172	41,944	98,890
<u>1,772</u>	<u>40,172</u>	<u>41,944</u>	<u>1,351,063</u>
-	-	-	40,951
-	-	-	392,355
-	-	-	25,398
326,623	-	326,623	796,233
<u>326,623</u>	<u>-</u>	<u>326,623</u>	<u>1,254,937</u>
(324,851)	40,172	(284,679)	96,126
290,000	-	290,000	544,241
-	(140,000)	(140,000)	(574,337)
<u>290,000</u>	<u>(140,000)</u>	<u>150,000</u>	<u>(30,096)</u>
(34,851)	(99,828)	(134,679)	66,030
<u>237,424</u>	<u>2,038,044</u>	<u>2,275,468</u>	<u>4,209,515</u>
\$ <u><u>202,573</u></u>	\$ <u><u>1,938,216</u></u>	\$ <u><u>2,140,789</u></u>	\$ <u><u>4,275,545</u></u>

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 346,922	\$ 346,922	\$ 305,692	\$ (41,230)
Other	2,018	2,018	817	(1,201)
Total Revenues	<u>348,940</u>	<u>348,940</u>	<u>306,509</u>	<u>(42,431)</u>
Other Financing Uses:				
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	-
Total Other Financing Uses	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	-
Net Change in Fund Balances	(1,060)	(1,060)	(43,491)	(42,431)
Fund Balances - Beginning of Year	<u>195,237</u>	<u>195,237</u>	<u>195,237</u>	-
Fund Balances - End of Year	<u>\$ 194,177</u>	<u>\$ 194,177</u>	<u>\$ 151,746</u>	<u>\$ (42,431)</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Permits and Fees	\$ 259,021	\$ 259,021	\$ 694,810	\$ 435,789
Other	5,807	5,807	22,801	16,994
Total Revenues	264,828	264,828	717,611	452,783
Expenditures:				
Capital Outlay	518,653	1,017,329	450,360	566,969
Total Expenditures	518,653	1,017,329	450,360	566,969
Net Change in Fund Balances	(253,825)	(752,501)	267,251	1,019,752
Fund Balances - Beginning of Year	925,814	925,814	925,814	-
Fund Balances - End of Year	<u>\$ 671,989</u>	<u>\$ 173,313</u>	<u>\$ 1,193,065</u>	<u>\$ 1,019,752</u>

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 144,588	\$ 144,588	\$ 154,384	\$ 9,796
Other	-	-	1,667	1,667
Total Revenues	<u>144,588</u>	<u>144,588</u>	<u>156,051</u>	<u>11,463</u>
Expenditures:				
Current:				
Public Safety:				
Fire	397,252	397,252	392,355	4,897
Physical Environment:				
Other	50,000	50,000	-	50,000
Total Expenditures	<u>447,252</u>	<u>447,252</u>	<u>392,355</u>	<u>54,897</u>
Excess of Revenues Over (Under) Expenditures	<u>(302,664)</u>	<u>(302,664)</u>	<u>(236,304)</u>	<u>66,360</u>
Other Financing Sources:				
Transfers in	270,664	270,664	254,241	(16,423)
Transfers out	-	-	(6,903)	(6,903)
Total Other Financing Sources	<u>270,664</u>	<u>270,664</u>	<u>247,338</u>	<u>(23,326)</u>
Net Change in Fund Balances	(32,000)	(32,000)	11,034	43,034
Fund Balances - Beginning of Year	<u>103,062</u>	<u>103,062</u>	<u>103,062</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 71,062</u>	<u>\$ 71,062</u>	<u>\$ 114,096</u>	<u>\$ 43,034</u>

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT PROGRAMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 90,801	\$ 35,801
Fines and forfeitures	11,600	11,600	6,486	(5,114)
Other	750	750	2,174	1,424
Total Revenues	<u>67,350</u>	<u>67,350</u>	<u>99,461</u>	<u>32,111</u>
Expenditures:				
Current:				
Public Safety:				
Police	87,549	91,486	40,951	50,535
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	<u>97,549</u>	<u>101,486</u>	<u>40,951</u>	<u>60,535</u>
Net Change in Fund Balances	(30,199)	(34,136)	58,510	92,646
Fund Balances - Beginning of Year	<u>190,528</u>	<u>190,528</u>	<u>190,528</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 160,329</u>	<u>\$ 156,392</u>	<u>\$ 249,038</u>	<u>\$ 92,646</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 1,500	\$ 1,500	\$ 29,487	\$ 27,987
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>29,487</u>	<u>27,987</u>
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	7,850	7,850	25,398	(17,548)
Capital Outlay	<u>148,000</u>	<u>181,500</u>	<u>19,250</u>	<u>162,250</u>
Total Expenditures	<u>175,850</u>	<u>209,350</u>	<u>44,648</u>	<u>164,702</u>
Excess of Revenues Over (Under) Expenditures	<u>(174,350)</u>	<u>(207,850)</u>	<u>(15,161)</u>	<u>192,689</u>
Other Financing Uses:				
Transfers out	<u>(77,434)</u>	<u>(77,434)</u>	<u>(77,434)</u>	<u>-</u>
Total Other Financing Uses	<u>(77,434)</u>	<u>(77,434)</u>	<u>(77,434)</u>	<u>-</u>
Net Change in Fund Balances	(251,784)	(285,284)	(92,595)	192,689
Fund Balances - Beginning of Year	<u>519,406</u>	<u>519,406</u>	<u>519,406</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 267,622</u>	<u>\$ 234,122</u>	<u>\$ 426,811</u>	<u>\$ 192,689</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 450	\$ 450	\$ 1,772	\$ 1,322
Total Revenues	<u>450</u>	<u>450</u>	<u>1,772</u>	<u>1,322</u>
Expenditures:				
Capital Outlay	<u>200,000</u>	<u>439,420</u>	<u>326,623</u>	<u>112,797</u>
Total Expenditures	<u>200,000</u>	<u>439,420</u>	<u>326,623</u>	<u>112,797</u>
Excess of Revenues Over (Under) Expenditures	<u>(199,550)</u>	<u>(438,970)</u>	<u>(324,851)</u>	<u>114,119</u>
Other Financing Sources:				
Transfers in	<u>190,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Total Other Financing Sources	<u>190,000</u>	<u>290,000</u>	<u>290,000</u>	<u>-</u>
Net Change in Fund Balances	(9,550)	(148,970)	(34,851)	114,119
Fund Balances - Beginning of Year	<u>237,424</u>	<u>237,424</u>	<u>237,424</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 227,874</u>	<u>\$ 88,454</u>	<u>\$ 202,573</u>	<u>\$ 114,119</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 40,000	\$ 40,000	\$ 40,172	\$ 172
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>40,172</u>	<u>172</u>
Other Financing Uses:				
Transfers out	<u>(40,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(40,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net Change in Fund Balances	-	(100,000)	(99,828)	172
Fund Balances - Beginning of Year	<u>2,038,044</u>	<u>2,038,044</u>	<u>2,038,044</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,038,044</u>	<u>\$ 1,938,044</u>	<u>\$ 1,938,216</u>	<u>\$ 172</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,552,340	\$ 2,552,340	\$ 2,618,770	\$ 66,430
Intergovernmental	-	36,250	417,416	381,166
Charges for Services	28,822	28,822	6,028	(22,794)
Other	1,500	1,500	38,074	36,574
Total Revenues	2,582,662	2,618,912	3,080,288	461,376
Expenditures:				
Capital Outlay	2,343,062	5,961,437	3,792,320	2,169,117
Debt Service	239,600	239,600	239,599	1
Total Expenditures	2,582,662	6,201,037	4,031,919	2,169,118
Excess of Revenues Over (Under) Expenditures	-	(3,582,125)	(951,631)	2,630,494
Other Financing Sources:				
Issuance of debt	-	-	1,094,792	1,094,792
Total Other Financing Sources	-	-	1,094,792	1,094,792
Net Change in Fund Balances	-	(3,582,125)	143,161	3,725,286
Fund Balances - Beginning of Year	2,911,843	2,911,843	2,911,843	-
Fund Balances - End of Year	\$ 2,911,843	\$ (670,282)	\$ 3,055,004	\$ 3,725,286

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, 2020

	Storm Water	Marina	Golf Course	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 434,389	\$ -	\$ -	\$ 434,389
Investments	502,018	-	-	502,018
Receivables:				
Interest	2,842	-	-	2,842
Accounts - billed (net)	132,491	-	-	132,491
Accounts - unbilled	69,785	-	-	69,785
Inventories	-	-	22,287	22,287
Prepaid items	51	13	2,538	2,602
Total Current Assets	<u>1,141,576</u>	<u>13</u>	<u>24,825</u>	<u>1,166,414</u>
Non-Current Assets:				
Capital Assets:				
Land and land rights	419,766	400	51,356	471,522
Buildings and improvements	10,647	25,388	474,690	510,725
Improvements other than buildings	4,694,192	631,849	1,349,442	6,675,483
Machinery and equipment	2,234,329	-	53,184	2,287,513
Accumulated depreciation	(2,903,612)	(597,681)	(1,133,112)	(4,634,405)
Construction in progress	1,146,889	-	-	1,146,889
Total Non-Current Assets	<u>5,602,211</u>	<u>59,956</u>	<u>795,560</u>	<u>6,457,727</u>
Total Assets	<u>6,743,787</u>	<u>59,969</u>	<u>820,385</u>	<u>7,624,141</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to OPEB.	6,764	-	3,324	10,088
Total Deferred Outflows of Resources	<u>6,764</u>	<u>-</u>	<u>3,324</u>	<u>10,088</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	171,232	1,685	11,038	183,955
Accrued liabilities	8,816	920	6,692	16,428
Contracts payable	61,366	-	-	61,366
Due to other fund (deficit in pooled cash)	-	13,248	1,305,873	1,319,121
Advance from other fund	-	-	140,372	140,372
Customer deposits	-	2,694	-	2,694
Compensated absences	1,408	-	636	2,044
Unearned revenue	-	-	20,498	20,498
Total Current Liabilities	<u>242,822</u>	<u>18,547</u>	<u>1,485,109</u>	<u>1,746,478</u>
Non-Current Liabilities:				
Other postemployment benefits	32,870	-	16,155	49,025
Compensated absences	15,373	740	25,913	42,026
Total Non-Current Liabilities	<u>48,243</u>	<u>740</u>	<u>42,068</u>	<u>91,051</u>
Total Liabilities	<u>291,065</u>	<u>19,287</u>	<u>1,527,177</u>	<u>1,837,529</u>
NET POSITION				
Net investment in capital assets	5,602,211	59,956	795,560	6,457,727
Unrestricted (deficit)	857,275	(19,274)	(1,499,028)	(661,027)
Total Net Position	<u>\$ 6,459,486</u>	<u>\$ 40,682</u>	<u>\$ (703,468)</u>	<u>\$ 5,796,700</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, 2020

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,666,402	\$ 114,818	\$ 1,170,507	\$ 2,951,727
Other	1,021	1,475	3,623	6,119
Total Operating Revenues	1,667,423	116,293	1,174,130	2,957,846
Operating Expenses:				
Personnel services	555,940	63,412	391,444	1,010,796
Contractual services	312,847	28,166	650,377	991,390
Supplies	78,518	3,937	124,082	206,537
Repairs and maintenance	115,617	720	10,473	126,810
Utilities	11,538	17,819	46,549	75,906
Depreciation	281,439	16,385	69,066	366,890
Total Operating Expenses	1,355,899	130,439	1,291,991	2,778,329
Operating Income (Loss)	311,524	(14,146)	(117,861)	179,517
Non-Operating Revenues (Expenses):				
Investment income	21,409	11	-	21,420
Net change in fair value of investments	1,052	-	-	1,052
Intergovernmental - operating grants	154,123	-	-	154,123
Other	(510)	-	-	(510)
Total Non-Operating Revenues	176,074	11	-	176,085
Income (Loss) before Transfers	487,598	(14,135)	(117,861)	355,602
Transfers out	(130,160)	-	-	(130,160)
Change in Net Position	357,438	(14,135)	(117,861)	225,442
Net Position - Beginning of Year	6,102,048	54,817	(585,607)	5,571,258
Net Position - End of Year	\$ 6,459,486	\$ 40,682	\$ (703,468)	\$ 5,796,700

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,638,874	\$ 116,463	\$ 1,175,470	\$ 2,930,807
Cash payments to suppliers	(337,897)	(47,518)	(866,776)	(1,252,191)
Cash payments to employees	(544,043)	(63,895)	(392,091)	(1,000,029)
Other	(510)	-	-	(510)
Net cash provided (used) by operating activities	<u>756,424</u>	<u>5,050</u>	<u>(83,397)</u>	<u>678,077</u>
Cash flows from noncapital financing activities:				
Transfers out	(130,160)	-	-	(130,160)
Intergovernmental - operating grants	154,123	-	-	154,123
Advance from other fund	-	-	(35,937)	(35,937)
Payment of cash on loans to/from other funds	-	(5,061)	155,189	150,128
Net cash provided (used) by noncapital financing activities	<u>23,963</u>	<u>(5,061)</u>	<u>119,252</u>	<u>138,154</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(868,566)	-	(35,855)	(904,421)
Net cash used for capital and related financing activities	<u>(868,566)</u>	<u>-</u>	<u>(35,855)</u>	<u>(904,421)</u>
Cash flows from investing activities:				
Interest on investments	21,409	11	-	21,420
Proceeds of investment sales & maturities	110,259	-	-	110,259
Net cash provided by investing activities	<u>131,668</u>	<u>11</u>	<u>-</u>	<u>131,679</u>
Net increase in cash and cash equivalents	43,489	-	-	43,489
Cash and cash equivalents at beginning of year	<u>390,900</u>	<u>-</u>	<u>-</u>	<u>390,900</u>
Cash and cash equivalents at end of year	<u>\$ 434,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,389</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	<u>\$ 434,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,389</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 311,524	\$ (14,146)	\$ (117,861)	\$ 179,517
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	(510)	-	-	(510)
Depreciation expense	281,439	16,385	69,066	366,890
Change in assets and liabilities:				
Decrease in accounts receivable - interest	7,402	-	-	7,402
Increase (decrease) in accounts receivable - billed (net)	(27,724)	170	-	(27,554)
Increase in unbilled accounts receivable	(11,747)	-	-	(11,747)
Decrease in due from other governments	3,520	-	806	4,326
Increase in inventories	-	-	(474)	(474)
Decrease in prepaid items	4,796	1,516	8,483	14,795
Increase in deferred outflow-OPEB	(3,215)	-	(260)	(3,475)
Increase (decrease) in accounts and contracts payable	175,827	1,005	(43,304)	133,528
Increase in accrued liabilities	3,496	363	2,532	6,391
Increase in unavailable revenue	-	-	534	534
Increase in customer deposits	-	603	-	603
Increase (decrease) in other postemployment benefits	5,169	-	(7,766)	(2,597)
Increase (decrease) in compensated absences	6,447	(846)	4,847	10,448
Total adjustments	444,900	19,196	34,464	498,560
Net cash provided (used) by operating activities	\$ 756,424	\$ 5,050	\$ (83,397)	\$ 678,077

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, 2020

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 45,558	\$ 649,645	\$ 695,203
Investments	-	502,018	502,018
Accounts receivable - interest	-	2,845	2,845
Advance to other fund	-	50,469	50,469
Inventories	33,295	-	33,295
Prepaid items	13	-	13
Total Current Assets	78,866	1,204,977	1,283,843
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	339,938	190,024	529,962
Machinery and equipment	92,710	32,921	125,631
Accumulated depreciation	(341,133)	(83,077)	(424,210)
Total Non-Current Assets	136,271	139,868	276,139
Total Assets	215,137	1,344,845	1,559,982
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	3,476	-	3,476
Total Deferred Outflows of Resources	3,476	-	3,476
LIABILITIES			
Current Liabilities:			
Accounts payable	11,005	3,833	14,838
Accrued liabilities	4,558	-	4,558
Claims payable	-	11,638	11,638
Compensated absences	2,991	-	2,991
Total Current Liabilities	18,554	15,471	34,025
Non-Current Liabilities:			
Claims payable	-	117,500	117,500
Other postemployment benefits	16,894	-	16,894
Compensated absences	18,050	-	18,050
Total Non-Current Liabilities	34,944	117,500	152,444
Total Liabilities	53,498	132,971	186,469
NET POSITION			
Net investment in capital assets	136,271	139,868	276,139
Unrestricted	28,844	1,072,006	1,100,850
Total Net Position	\$ 165,115	\$ 1,211,874	\$ 1,376,989

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,038,608	\$ 727,742	\$ 1,766,350
Total Operating Revenues	1,038,608	727,742	1,766,350
Operating Expenses:			
Personnel services	314,462	-	314,462
Contractual services	15,221	38,304	53,525
Supplies	362,533	5,651	368,184
Repairs and maintenance	343,977	-	343,977
Utilities	1,280	-	1,280
Claims	-	80,241	80,241
Insurance	-	738,937	738,937
Depreciation	25,560	13,629	39,189
Total Operating Expenses	1,063,033	876,762	1,939,795
Operating Loss	(24,425)	(149,020)	(173,445)
Non-Operating Revenues:			
Investment income	-	14,021	14,021
Net change in fair value of investments	-	1,197	1,197
Total Non-Operating Revenues	-	15,218	15,218
Change in Net Position	(24,425)	(133,802)	(158,227)
Net Position - Beginning of Year	189,540	1,345,676	1,535,216
Net Position - End of Year	\$ 165,115	\$ 1,211,874	\$ 1,376,989

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,038,682	\$ 734,622	\$ 1,773,304
Cash payments to suppliers	(713,227)	(843,095)	(1,556,322)
Cash payments to employees	(309,306)	-	(309,306)
Net cash provided (used) by operating activities	16,149	(108,473)	(92,324)
Cash flows from noncapital financing activities:			
Advance to other fund	-	103,314	103,314
Net cash provided by noncapital financing activities	-	103,314	103,314
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(7,487)	-	(7,487)
Net cash used by capital and related financing activities	(7,487)	-	(7,487)
Cash flows from investing activities:			
Interest on investments	-	14,021	14,021
Proceeds of investment sales & maturities	-	1,000,000	1,000,000
Purchase of investments	-	(500,000)	(500,000)
Net cash provided by investing activities	-	514,021	514,021
Net increase in cash and cash equivalents	8,662	508,862	517,524
Cash and cash equivalents at beginning of year	36,896	140,783	177,679
Cash and cash equivalents at end of year	\$ 45,558	\$ 649,645	\$ 695,203
Cash and cash equivalents classified as:			
Cash and cash equivalents	\$ 45,558	\$ 649,645	\$ 695,203
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (24,425)	\$ (149,020)	\$ (173,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	25,560	13,629	39,189
Change in assets and liabilities:			
Decrease in accounts receivable-interest	-	6,880	6,880
Decrease in inventories	2,599	-	2,599
Decrease in prepaid items	3,013	2,740	5,753
Decrease in due from other governments	74	-	74
Increase in deferred outflow-OPEB	(935)	-	(935)
Increase in accounts and contracts payable	4,172	594	4,766
Increase in accrued liabilities	1,879	-	1,879
Increase in claims payable	-	16,704	16,704
Decrease in other postemployment benefits	(2,938)	-	(2,938)
Increase in compensated absences	7,150	-	7,150
Total adjustments	40,574	40,547	81,121
Net cash used by operating activities	\$ 16,149	\$ (108,473)	\$ (92,324)

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, 2020

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
Assets				
Cash and cash equivalents	\$ 920,461	\$ 128,718	\$ -	\$ 1,049,179
Accounts receivable	-	2,428	-	2,428
Interest receivable	32,873	39,813	-	72,686
Prepaid benefits	-	124,996	-	124,996
City contributions	15,614	-	-	15,614
Investments, at fair value:				
U.S. Government Securities	4,768,190	2,699,153	-	7,467,343
Municipals	-	314,848	-	314,848
Equities Common Stock	19,304,663	19,487,412	-	38,792,075
Mutual Funds	-	1,312,279	12,552,652	13,864,931
International Fixed Income	-	179,316	-	179,316
Corporate Bonds	4,437,152	2,148,831	-	6,585,983
Real Estate	-	3,037,436	-	3,037,436
Total Investments	<u>28,510,005</u>	<u>29,179,275</u>	<u>12,552,652</u>	<u>70,241,932</u>
Total Assets	<u>29,478,953</u>	<u>29,475,230</u>	<u>12,552,652</u>	<u>71,506,835</u>
Liabilities				
Accounts payable	<u>9,607</u>	<u>3,403</u>	<u>4,517</u>	<u>17,527</u>
Total Liabilities	<u>9,607</u>	<u>3,403</u>	<u>4,517</u>	<u>17,527</u>
Net Position				
Restricted for Pension Benefits	<u>\$ 29,469,346</u>	<u>\$ 29,471,827</u>	<u>\$ 12,548,135</u>	<u>\$ 71,489,308</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
Additions:				
Contributions:				
Employer	\$ 487,500	\$ 797,111	\$ 890,742	\$ 2,175,353
Plan members	290,389	251,256	8,728	550,373
State of Florida	274,483	219,619	-	494,102
Total Contributions	<u>1,052,372</u>	<u>1,267,986</u>	<u>899,470</u>	<u>3,219,828</u>
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	622,907	2,012,768	(48,792)	2,586,883
Interest	206,070	253,003	963,942	1,423,015
Dividends	344,947	377,153	-	722,100
	<u>1,173,924</u>	<u>2,642,924</u>	<u>915,150</u>	<u>4,731,998</u>
Less Investment Expenses:				
Investment management fees	150,775	176,838	-	327,613
	<u>150,775</u>	<u>176,838</u>	<u>-</u>	<u>327,613</u>
Net Investment Income	<u>1,023,149</u>	<u>2,466,086</u>	<u>915,150</u>	<u>4,404,385</u>
Total Additions	<u>2,075,521</u>	<u>3,734,072</u>	<u>1,814,620</u>	<u>7,624,213</u>
Deductions:				
Benefits	1,248,177	1,365,051	426,453	3,039,681
Refunds of contributions	335,885	-	-	335,885
Administrative expense	60,685	73,000	44,168	177,853
Total Deductions	<u>1,644,747</u>	<u>1,438,051</u>	<u>470,621</u>	<u>3,553,419</u>
Change in Net Position	430,774	2,296,021	1,343,999	4,070,794
Net Position - Beginning of Year	<u>29,038,572</u>	<u>27,175,806</u>	<u>11,204,136</u>	<u>67,418,514</u>
Net Position - End of Year	<u>\$ 29,469,346</u>	<u>\$ 29,471,827</u>	<u>\$ 12,548,135</u>	<u>\$ 71,489,308</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, 2020

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,573,785	\$ 1,573,785	\$ -
Total Revenue	1,573,785	1,573,785	-
Expenditures:			
Salaries and Benefits	1,442,112	1,381,145	60,967
Operating Expenditures	131,673	194,806	(63,133)
Total Expenditures	1,573,785	1,575,951	(2,166)
Deficiency of Revenues Under Expenditures	\$ -	\$ (2,166)	\$ (2,166)
1 EMS Funding FY 19-20 Received by Contractor		\$ 1,573,785	
2 EMS Allowable Costs Incurred by Contractor		1,575,951	
3 Difference (If Excess Revenues) Due to Pinellas County		(2,166)	

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
General Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,849,709	\$ 3,769,047	\$ (80,662)
Tarpon Springs Fire District Funds	380,000	433,127	53,127
Total Revenues	<u>4,229,709</u>	<u>4,202,174</u>	<u>(27,535)</u>
Expenditures:			
Salaries and Benefits	3,409,485	3,454,026	(44,541)
Operating Expenditures	769,819	697,831	71,988
Capital Outlay	50,405	50,317	88
Total Expenditures	<u>4,229,709</u>	<u>4,202,174</u>	<u>27,535</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Revenue Fund - Fire Impacts			
Revenues:			
Fire Impact Fees	\$ 39,552	\$ 40,978	\$ 1,426
Interest	50	721	671
Total Revenues	<u>39,602</u>	<u>41,699</u>	<u>2,097</u>
Expenditures:			
Capital Outlay	<u>39,602</u>	<u>-</u>	<u>39,602</u>
Total Expenditures	<u>39,602</u>	<u>-</u>	<u>39,602</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 41,699</u>	<u>\$ 41,699</u>
Capital Project Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 391,298	\$ 1,448,995	\$ 1,057,697
Tarpon Springs Fire District Funds	-	6,028	6,028
Total Revenues	<u>391,298</u>	<u>1,455,023</u>	<u>1,063,725</u>
Expenditures:			
Capital Outlay	<u>391,298</u>	<u>1,455,023</u>	<u>(1,063,725)</u>
Total Expenditures	<u>391,298</u>	<u>1,455,023</u>	<u>(1,063,725)</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total			
Total Revenues	<u>\$ 4,660,609</u>	<u>\$ 5,698,896</u>	<u>\$ 1,038,287</u>
Total Expenditures	<u>4,660,609</u>	<u>5,657,197</u>	<u>(996,588)</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 41,699</u>	<u>\$ 41,699</u>
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 5,657,197	
2 Less: Other Revenues Received by Contractor		-	
3 Total Outlay by Contractor		<u>5,657,197</u>	
4 Pinellas County Percentage of District		9.60%	
5 Total Pinellas County Share (3 times 4)		<u>543,091</u>	
6 Pinellas County Paid to Contractor			
Fire District Funding FY 2020		<u>439,155</u>	
Total Pinellas County Paid to Contractor		<u>439,155</u>	
7 Total Due to Pinellas County (6 less 5), if negative none due		<u>\$ (103,936)</u>	



STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

City of Tarpon Springs, Florida

Statistical Section

List of Schedules

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

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

- 10 Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
- 11 Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
- 12 Direct and Overlapping Governmental Activities Debt - As of September 30, 2020
- 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				
	2011	2012	2013	2014 *	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 42,581,135	\$ 42,653,653	\$ 44,380,440	\$ 45,090,304	\$ 48,199,096	\$ 49,600,615	\$ 51,456,378	\$ 52,391,186	\$ 53,407,457	\$ 53,925,231
Restricted	12,914,081	12,896,516	12,423,712	13,233,342	11,331,250	10,994,276	9,695,502	9,251,886	8,242,401	F 6,732,428
Unrestricted	19,466,009	19,615,271	18,237,353	14,435,502	13,678,169	11,689,973	10,093,903	8,132,199	D 7,165,730	G 8,164,941
Total governmental activities net position	<u>\$ 74,961,225</u>	<u>\$ 75,165,440</u>	<u>\$ 75,041,505</u>	<u>\$ 72,759,148</u>	<u>\$ 73,208,515</u>	<u>\$ 72,284,864</u>	<u>\$ 71,245,783</u>	<u>\$ 69,775,271</u>	<u>\$ 68,815,588</u>	<u>\$ 68,822,600</u>
Business-type activities:										
Net investment in capital assets	\$ 26,751,911	\$ 30,787,409	\$ 33,033,440	\$ 47,376,740	A \$ 57,038,372	\$ 59,405,819	\$ 59,032,457	\$ 61,644,818	\$ 62,955,086	\$ 64,055,253
Restricted	4,283,180	2,986,956	8,244,803	5,647,475	B 5,801,091	5,033,042	5,402,860	6,256,233	6,420,497	5,687,790
Unrestricted	12,354,958	14,259,417	10,623,313	6,885,518	C 8,739,652	10,560,522	11,965,743	9,644,107	E 11,412,142	H 12,495,282
Total business-type activities net position	<u>\$ 43,390,049</u>	<u>\$ 48,033,782</u>	<u>\$ 51,901,556</u>	<u>\$ 59,909,733</u>	<u>\$ 71,579,115</u>	<u>\$ 74,999,383</u>	<u>\$ 76,401,060</u>	<u>\$ 77,545,158</u>	<u>\$ 80,787,725</u>	<u>\$ 82,238,325</u>
Primary government:										
Net investment in capital assets	\$ 69,333,046	\$ 73,441,062	\$ 77,413,880	\$ 92,467,044	\$ 105,237,468	\$ 109,006,434	\$ 110,488,835	\$ 114,036,004	\$ 116,362,543	\$ 117,980,484
Restricted	17,197,261	15,883,472	20,668,515	18,880,817	17,132,341	16,027,318	15,098,362	15,508,119	14,662,898	12,420,218
Unrestricted	31,820,967	33,874,688	28,860,666	21,321,020	22,417,821	22,250,495	22,059,646	17,776,306	18,577,872	20,660,223
Total primary government net position	<u>\$ 118,351,274</u>	<u>\$ 123,199,222</u>	<u>\$ 126,943,061</u>	<u>\$ 132,668,881</u>	<u>\$ 144,787,630</u>	<u>\$ 147,284,247</u>	<u>\$ 147,646,843</u>	<u>\$ 147,320,429</u>	<u>\$ 149,603,313</u>	<u>\$ 151,060,925</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				
	2011	2012	2013	2014	2015*	2016	2017	2018**	2019	2020
Expenses										
Governmental activities:										
General government	\$ 3,090,494	\$ 2,789,491	\$ 2,927,360	\$ 3,017,621	\$ 3,194,628	\$ 3,432,723	\$ 3,700,268	\$ 4,132,160	\$ 4,433,507	\$ 5,070,370
Public safety	11,325,115	11,712,003	12,282,243	12,723,797	13,021,016	14,852,516	14,815,058	16,234,276	17,366,747	17,332,285
Physical environment	1,155,888	1,240,584	1,177,133	1,171,151	994,433	1,140,607	1,203,122	1,249,625	1,405,668	1,454,120
Transportation	2,077,166	2,116,119	2,200,491	2,315,266	2,267,686	2,313,101	2,352,119	2,391,884	2,496,389	2,570,621
Economic environment	230,382	365,584	466,831	457,145	452,117	531,483	582,470	619,513	493,953	530,288
Culture/recreation	3,780,449	3,899,214	3,901,603	4,002,625	4,083,635	4,239,363	4,502,297	4,650,379	4,607,221	4,581,598
Interest on long-term debt	16,841	12,542	8,114	3,526	-	-	-	-	-	45,378
Total governmental activities expenses	<u>21,676,335</u>	<u>22,135,537</u>	<u>22,963,775</u>	<u>23,691,131</u>	<u>24,013,515</u>	<u>26,509,793</u>	<u>27,155,334</u>	<u>29,277,837</u>	<u>30,803,485</u>	<u>31,584,660</u>
Business-type activities:										
Water/Sewer	9,407,340	9,348,746	11,139,707	11,328,461	12,745,072	12,912,634	13,765,541	13,781,438	14,398,298	15,150,903
Sanitation	4,888,177	3,701,551	3,705,989	3,892,966	4,106,003	4,335,007	4,748,340	6,147,368	4,955,865	5,373,320
Storm Water	656,883	687,356	764,604	835,943	1,003,463	1,057,100	1,322,226	1,395,324	1,362,896	1,356,409
Golf Course	1,178,261	1,217,951	1,222,499	1,111,819	1,257,698	1,369,316	1,233,795	1,269,051	1,414,414	1,291,991
Marina	96,211	84,547	88,566	92,019	109,403	113,616	113,877	117,932	123,057	130,439
Total business-type activities expenses	<u>16,226,872</u>	<u>15,040,151</u>	<u>16,921,365</u>	<u>17,261,208</u>	<u>19,221,639</u>	<u>19,787,673</u>	<u>21,183,779</u>	<u>22,711,113</u>	<u>22,254,530</u>	<u>23,303,062</u>
Total primary government expenses	<u>\$ 37,903,207</u>	<u>\$ 37,175,688</u>	<u>\$ 39,885,140</u>	<u>\$ 40,952,339</u>	<u>\$ 43,235,154</u>	<u>\$ 46,297,466</u>	<u>\$ 48,339,113</u>	<u>\$ 51,988,950</u>	<u>\$ 53,058,015</u>	<u>\$ 54,887,722</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 526,133	\$ 545,215	\$ 630,026	\$ 643,467	\$ 657,837	\$ 699,323	\$ 727,516	\$ 723,489	\$ 654,759	\$ 690,067
Public safety	2,094,293	1,868,326	2,109,951	2,380,485	2,392,264	2,797,387	2,814,847	3,134,010	3,021,853	3,135,880
Physical environment	218,822	169,750	177,515	209,146	168,483	169,791	186,427	175,490	184,854	307,390
Transportation	-	-	-	-	-	-	-	-	20	-
Culture/recreation	352,600	374,117	378,345	423,844	356,468	330,104	463,927	591,274	494,045	162,003
Operating grants and contributions	752,469	604,223	632,434	917,380	708,400	606,237	701,467	1,207,794	916,476	916,385
Capital grants and contributions	877,714	160,702	1,103,109	375,687	386,754	774,297	306,924	690,902	381,656	1,137,225
Total governmental activities program revenues	<u>4,822,031</u>	<u>3,722,333</u>	<u>5,031,380</u>	<u>4,950,009</u>	<u>4,670,206</u>	<u>5,377,139</u>	<u>5,201,108</u>	<u>6,522,959</u>	<u>5,653,663</u>	<u>6,348,950</u>
Business-type activities:										
Charges for services:										
Water/Sewer	10,987,035	11,698,218	12,656,837	13,067,679	13,626,383	14,559,195	15,487,892	16,075,934	16,573,432	17,289,453
Sanitation	5,089,668	4,031,733	4,108,504	4,290,803	4,501,118	4,707,377	4,998,115	5,050,222	5,216,017	5,513,192
Storm Water	1,103,375	1,106,378	1,112,834	1,148,787	1,144,356	1,306,718	1,334,347	1,426,445	1,614,987	1,667,423
Golf Course	1,297,338	1,363,095	1,454,599	1,064,827	1,300,411	1,361,752	1,293,925	1,295,983	1,291,048	1,174,130
Marina	68,882	45,235	50,684	60,861	71,084	74,064	78,181	81,315	53,003	116,293
Operating grants and contributions	-	44,988	13,469	-	-	-	10,093	166,126	1,257,474	178,506
Capital grants and contributions	425,317	2,116,009	2,259,507	6,388,338	11,048,730	2,055,112	482,469	1,035,670	557,077	399,718
Total business-type activities program revenues	<u>18,971,615</u>	<u>20,405,656</u>	<u>21,656,434</u>	<u>26,021,295</u>	<u>31,692,082</u>	<u>24,064,218</u>	<u>23,685,022</u>	<u>25,131,695</u>	<u>26,563,038</u>	<u>26,338,715</u>
Total primary government program revenues	<u>\$ 23,793,646</u>	<u>\$ 24,127,989</u>	<u>\$ 26,687,814</u>	<u>\$ 30,971,304</u>	<u>\$ 36,362,288</u>	<u>\$ 29,441,357</u>	<u>\$ 28,886,130</u>	<u>\$ 31,654,654</u>	<u>\$ 32,216,701</u>	<u>\$ 32,687,665</u>

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

	Fiscal Year					Fiscal Year				
	2011	2012	2013	2014	2015*	2016	2017	2018**	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (16,854,304)	\$ (18,413,204)	\$ (17,932,395)	\$ (18,741,122)	\$ (19,343,309)	\$ (21,132,654)	\$ (21,954,226)	\$ (22,754,878)	\$ (25,149,822)	\$ (25,235,710)
Business-type activities	2,744,743	5,365,505	4,735,069	8,760,087	12,470,443	4,276,545	2,501,243	2,420,582	4,308,508	3,035,653
Total primary government net expense	<u>\$ (14,109,561)</u>	<u>\$ (13,047,699)</u>	<u>\$ (13,197,326)</u>	<u>\$ (9,981,035)</u>	<u>\$ (6,872,866)</u>	<u>\$ (16,856,109)</u>	<u>\$ (19,452,983)</u>	<u>\$ (20,334,296)</u>	<u>\$ (20,841,314)</u>	<u>\$ (22,200,057)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 7,375,405	\$ 7,026,707	\$ 6,853,987	\$ 6,972,982	\$ 7,378,995	\$ 7,828,030	\$ 8,286,893	\$ 8,903,816	\$ 9,437,667	\$ 9,955,730
Property - TIF	145,579	121,924	115,714	135,007	151,086	165,527	185,586	203,895	238,881	244,654
Utility	2,515,843	2,386,538	2,603,245	2,796,901	2,778,970	2,896,032	2,963,184	3,045,339	3,246,311	3,425,760
Communication service	1,128,100	1,142,824	1,073,489	1,024,720	967,373	940,076	919,582	937,774	884,958	887,536
Half-cent sales	1,209,877	1,236,403	1,292,192	1,372,185	1,450,989	1,522,938	1,542,364	1,599,644	1,661,161	1,581,655
Local option gas	290,820	295,330	301,086	301,389	312,407	321,439	324,217	333,801	339,385	305,692
Local option sales	1,665,280	1,762,725	1,862,505	1,987,731	2,139,530	2,250,231	2,313,011	2,450,847	2,578,452	2,618,770
Local business (A)	177,632	176,558	172,804	162,355	161,021	161,569	160,636	141,876	151,605	138,677
Other	55,736	52,478	54,694	57,011	57,623	59,348	63,893	61,185	60,389	62,846
Franchise fees (A)	1,771,745	1,653,880	1,612,675	1,765,945	1,777,207	1,666,479	1,649,933	1,768,138	1,887,605	1,820,718
State revenue sharing	643,733	656,534	662,791	708,168	763,051	787,803	834,871	863,397	903,617	836,459
Investment income	233,698	238,069	30,369	173,212	304,826	269,278	207,753	208,846	768,522	432,880
Miscellaneous	337,602	912,698	237,202	867,571	509,088	284,976	209,878	344,919	319,833	1,027,184
Transfers	969,663	954,751	935,707	951,553	1,040,510	1,055,277	1,253,344	1,416,062	1,711,753	1,904,161
Total governmental activities	<u>18,520,713</u>	<u>18,617,419</u>	<u>17,808,460</u>	<u>19,276,730</u>	<u>19,792,676</u>	<u>20,209,003</u>	<u>20,915,145</u>	<u>22,279,539</u>	<u>24,190,139</u>	<u>25,242,722</u>
Business-type activities:										
Investment income	243,990	232,979	68,412	199,643	239,449	199,000	153,778	148,401	645,812	319,108
Transfers	<u>(969,663)</u>	<u>(954,751)</u>	<u>(935,707)</u>	<u>(951,553)</u>	<u>(1,040,510)</u>	<u>(1,055,277)</u>	<u>(1,253,344)</u>	<u>(1,416,062)</u>	<u>(1,711,753)</u>	<u>(1,904,161)</u>
Total business-type activities	<u>(725,673)</u>	<u>(721,772)</u>	<u>(867,295)</u>	<u>(751,910)</u>	<u>(801,061)</u>	<u>(856,277)</u>	<u>(1,099,566)</u>	<u>(1,267,661)</u>	<u>(1,065,941)</u>	<u>(1,585,053)</u>
Total primary government	<u>\$ 17,795,040</u>	<u>\$ 17,895,647</u>	<u>\$ 16,941,165</u>	<u>\$ 18,524,820</u>	<u>\$ 18,991,615</u>	<u>\$ 19,352,726</u>	<u>\$ 19,815,579</u>	<u>\$ 21,011,878</u>	<u>\$ 23,124,198</u>	<u>\$ 23,657,669</u>
Change in Net Position										
Governmental activities	\$ 1,666,409	\$ 204,215	\$ (123,935)	\$ 535,608	\$ 449,367	\$ (923,651)	\$ (1,039,081)	\$ (475,339)	\$ (959,683)	\$ 7,012
Business-type activities	2,019,070	4,643,733	3,867,774	8,008,177	11,669,382	3,420,268	1,401,677	1,152,921	3,242,567	1,450,600
Total primary government	<u>\$ 3,685,479</u>	<u>\$ 4,847,948</u>	<u>\$ 3,743,839</u>	<u>\$ 8,543,785</u>	<u>\$ 12,118,749</u>	<u>\$ 2,496,617</u>	<u>\$ 362,596</u>	<u>\$ 677,582</u>	<u>\$ 2,282,884</u>	<u>\$ 1,457,612</u>

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

** GASB 75 was implemented in fiscal year 2018.

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

		Fiscal Year					Fiscal Year				
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund											
	Nonspendable	\$ 357,162	\$ 370,883	\$ 378,222	\$ 346,049	\$ 347,936	\$ 372,891	\$ 379,224	\$ 380,997	\$ 371,262	\$ 206,381
	Restricted	272,255	235,644	251,147	264,696	254,281	196,191	192,379	244,990	302,388	449,355
	Committed	2,235,030	2,383,557	2,095,903	2,626,978	2,761,515	2,860,248	2,606,310	2,698,797	2,467,081	1,409,763
	Assigned	4,033,690	4,041,932	4,816,784	4,666,200	3,502,247	2,493,910	2,058,525	2,018,619	2,661,208	4,094,040
	Unassigned	10,410,510	10,559,574	9,178,148	8,872,797	8,820,443	8,820,443	8,562,911	8,834,948	8,819,109	8,577,559
Total general fund		<u>\$ 17,308,647</u>	<u>\$ 17,591,590</u>	<u>\$ 16,720,204</u>	<u>\$ 16,776,720</u>	<u>\$ 15,686,422</u>	<u>\$ 14,743,683</u>	<u>\$ 13,799,349</u>	<u>\$ 14,178,351</u>	<u>\$ 14,621,048</u>	<u>\$ 14,737,098</u>
All Other Governmental Funds											
	Nonspendable	\$ 3,368,659	\$ 4,203,228	\$ 3,042,589	\$ 2,871,358	\$ 2,694,108	\$ 2,511,158	\$ 2,322,086	\$ 2,129,503	\$ 2,002,798	\$ -
	Restricted	8,868,090	8,033,543	8,712,030	9,095,312	7,471,368	7,445,756	6,419,795	6,196,798	5,370,510	5,992,915
	Committed	435,298	428,968	431,557	432,353	434,017	337,974	340,959	257,795	191,051	2,053,732
	Unassigned	(40,926)	(37,325)	(29,340)	(22,406)	-	-	-	-	-	-
Total all other governmental funds		<u>\$ 12,631,121</u>	<u>\$ 12,628,414</u>	<u>\$ 12,156,836</u>	<u>\$ 12,376,617</u>	<u>\$ 10,599,493</u>	<u>\$ 10,294,888</u>	<u>\$ 9,082,840</u>	<u>\$ 8,584,096</u>	<u>\$ 7,564,359</u>	<u>\$ 8,046,647</u>
Total Fund Balance All Governmental Funds		<u>\$ 29,939,768</u>	<u>\$ 30,220,004</u>	<u>\$ 28,877,040</u>	<u>\$ 29,153,337</u>	<u>\$ 26,285,915</u>	<u>\$ 25,038,571</u>	<u>\$ 22,882,189</u>	<u>\$ 22,762,447</u>	<u>\$ 22,185,407</u>	<u>\$ 22,783,745</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				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 13,153,081	\$ 12,790,682	\$ 12,867,116	\$ 13,246,078	\$ 13,738,296	\$ 14,397,377	\$ 14,967,524	\$ 15,813,454	\$ 16,638,380	\$ 17,332,165
Licenses, permits and fees	2,447,907	1,961,249	2,346,719	2,769,747	2,368,714	2,433,841	2,378,297	3,094,150	2,529,193	3,010,676
Intergovernmental	3,381,804	2,650,694	3,408,688	2,880,488	2,872,827	3,469,094	3,201,918	3,703,583	3,748,511	3,931,414
Charges for services	1,881,376	1,967,159	2,179,396	2,174,865	2,624,418	2,662,086	3,091,045	3,125,487	3,127,683	2,932,150
Fines and forfeitures	266,300	233,909	211,463	160,649	128,387	249,628	86,240	265,358	211,963	167,947
Other	1,214,601	1,772,274	873,106	1,205,617	1,659,084	1,328,446	1,120,535	1,361,333	1,755,721	2,338,589
Total Revenues	22,345,069	21,375,967	21,886,488	22,437,444	23,391,726	24,540,472	24,845,559	27,363,365	28,011,451	29,712,941
Expenditures										
General government	2,852,948	2,563,972	2,644,069	2,788,106	2,970,399	3,009,776	3,204,654	3,495,939	3,818,917	4,480,622
Public safety	10,590,580	10,883,704	11,401,751	11,882,838	12,528,332	12,997,966	12,981,317	13,924,148	14,678,798	15,153,117
Physical environment	1,067,678	1,147,784	1,075,278	1,047,300	875,078	972,368	1,032,214	1,049,206	1,202,198	1,264,676
Transportation	1,002,303	994,527	1,039,533	1,126,516	1,046,882	1,056,737	1,035,593	1,104,129	1,211,594	1,241,641
Economic environment	192,154	199,870	276,719	253,750	245,914	320,472	388,246	425,271	302,268	338,645
Culture & recreation	3,431,376	3,476,283	3,449,764	3,527,733	3,542,855	3,649,825	3,881,670	3,959,979	3,913,130	3,883,959
Capital outlay	3,727,826	2,634,800	4,344,599	3,381,973	6,090,198	4,861,649	5,731,591	4,940,497	5,173,339	5,511,297
Debt service										
Interest	16,841	12,542	8,114	3,526	-	-	-	-	-	38,928
Principal	132,000	137,000	141,000	146,000	-	-	-	-	-	200,671
Total expenditures	23,013,706	22,050,482	24,380,827	24,157,742	27,299,658	26,868,793	28,255,285	28,899,169	30,300,244	32,113,556
Excess of revenues over (under) expenditures	(668,637)	(674,515)	(2,494,339)	(1,720,298)	(3,907,932)	(2,328,321)	(3,409,726)	(1,535,804)	(2,288,793)	(2,400,615)
Other Financing Sources (Uses)										
Land sale	-	-	-	802,669	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	1,094,792
Transfers in	1,419,663	1,450,979	1,568,129	1,554,926	1,402,510	1,644,613	1,699,548	1,978,184	2,277,599	2,732,739
Transfers out	(450,000)	(496,228)	(416,754)	(361,000)	(362,000)	(563,636)	(446,204)	(562,122)	(565,846)	(828,578)
Total other financing sources (uses)	969,663	954,751	1,151,375	1,996,595	1,040,510	1,080,977	1,253,344	1,416,062	1,711,753	2,998,953
Net change in fund balances	\$ 301,026	\$ 280,236	\$ (1,342,964)	\$ 276,297	\$ (2,867,422)	\$ (1,247,344)	\$ (2,156,382)	\$ (119,742)	\$ (577,040)	\$ 598,338
Debt service as a percentage of noncapital expenditures	0.8%	0.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%

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

Fiscal Year	Property	Franchise	Utility	Communication Service	Local Business Tax	Sales & Use Tax	Total
2011	\$ 7,375,405	\$ 1,771,745	\$ 2,515,843	\$ 1,128,100	\$ 177,632	\$ 1,956,100	\$ 14,924,825
2012	7,026,707	1,653,880	2,386,538	1,142,824	176,558	2,058,055	14,444,562
2013	6,853,987	1,612,675	2,603,245	1,073,489	172,804	2,163,591	14,479,791
2014	6,972,982	1,765,945	2,796,901	1,024,720	162,355	2,289,120	15,012,023
2015	7,378,995	1,777,207	2,778,970	967,373	161,021	2,451,937	15,515,503
2016	7,828,030	1,666,479	2,896,032	940,076	161,569	2,571,670	16,063,856
2017	8,286,893	1,649,933	2,963,184	919,582	160,636	2,637,228	16,617,456
2018	8,903,816	1,768,138	3,045,340	937,774	141,876	2,784,648	17,581,592
2019	9,437,668	1,887,605	3,246,311	884,958	151,605	2,917,838	18,525,985
2020	9,955,730	1,820,718	3,425,760	887,536	138,677	2,924,462	19,152,883
Change 2011 - 2020	35.0%	2.8%	36.2%	-21.3%	-21.9%	49.5%	28.3%

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		
2011	\$ 1,352,854,790	B \$ 275,694,894	\$ 57,753,713	\$ 209,822,071	\$ 1,896,125,468	\$ 565,367,720	\$ 1,330,757,748	\$ 79,793,060	\$ 15,744,372	\$ 64,048,688	\$ 1,975,918,528	\$ 581,112,092	\$ 1,394,806,436	5.4500	29.41%
2012	1,294,061,078	B 263,907,132	53,004,754	198,799,665	1,809,772,629	549,402,203	1,260,370,426	83,165,794	14,826,327	68,339,467	1,892,938,423	564,228,530	1,328,709,893	5.4500	29.81%
2013	1,260,764,191	B 261,785,756	50,657,910	203,728,378	1,776,936,235	545,146,481	1,231,789,754	80,263,674	13,708,093	66,555,581	1,857,199,909	558,854,574	1,298,345,335	5.4500	30.09%
2014	1,268,130,129	268,766,883	52,755,583	211,147,924	1,800,800,519	547,856,726	1,252,943,793	76,678,205	13,635,441	63,042,764	1,877,478,724	561,492,167	1,315,986,557	5.4500	29.91%
2015	1,334,111,444	284,024,094	53,657,954	220,000,659	1,891,794,151	559,583,542	1,332,210,609	81,290,925	13,587,262	67,703,663	1,973,085,076	573,170,804	1,399,914,272	5.4500	29.05%
2016	1,409,731,510	293,863,605	56,052,196	224,926,078	1,984,573,389	569,565,707	1,415,007,682	80,383,933	13,191,947	67,191,986	2,064,957,322	582,757,654	1,482,199,668	5.4500	28.22%
2017	1,485,135,800	314,812,488	57,047,971	228,200,974	2,085,197,233	576,890,857	1,508,306,376	84,954,573	16,159,495	68,795,078	2,170,151,806	593,050,352	1,577,101,454	5.4200	27.33%
2018	1,583,455,376	330,947,135	61,756,957	235,291,885	2,211,451,353	592,890,424	1,618,560,929	96,244,755	16,588,585	79,656,170	2,307,696,108	609,479,009	1,698,217,099	5.4200	26.41%
2019	1,705,299,840	340,710,083	62,398,617	244,149,350	2,352,557,890	627,063,266	1,725,494,624	94,094,896	16,442,010	77,652,886	2,446,652,786	643,505,276	1,803,147,510	5.4200	26.30%
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%
Change 2011 - 2020	34%	29%	12%	25%	31%	16%	38%	21%	5%	24%	31%	15%	37%	-1%	

Source: Pinellas County Property Appraiser.

A) Other Property includes Institutional, Cooperatives, Agricultural, Governmental, Leasehold Interests and Miscellaneous.
B) Decrease in property values due to economic downturn.

Recent Property Tax Legislation:

Maximum Millage Rate - FY 2008, Tax Year 2007 the State of Florida passed legislation requiring;
Majority vote maximum millage rate of roll-back rate plus adjustment for Florida Personal Income (FPI)
Two-thirds vote maximum millage rate of majority vote maximum times 110%
Unanimous vote for millage rates above 110% of the two-thirds maximum millage rate
Amendment One - FY 2009, Tax Year 2008 the State of Florida passed legislation with the following four parts:
Additional \$25,000 Homestead Exemption - If you have Homestead Exemption it will be applied on the assessed value between \$50,000 and \$75,000. It does not apply to school taxes.
Portability - Homestead property owners are able to transfer their Save Our Homes (SOH) benefit (up to \$500,000) to a new homestead within two years of giving up their previous homestead.
Tangible Personal Property Exemption - A \$25,000 exemption is provided for each tangible personal property return.
Assessment Cap for Non-Homestead Property - Non-homestead property will have a 10% assessment cap (similar to SOH). This does not apply to school taxes.

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

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

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)	
2011	5.4500	8.3400	4.8730	.5601	.5832	1.4410	21.2473
2012	5.4500	8.3850	4.8730	.7305	.8506	1.2390	21.5281
2013	5.4500	8.3020	5.0727	.7305	.9158	1.3034	21.7744
2014	5.4500	8.0600	5.3377	.7305	.9158	1.2959	21.7899
2015	5.4500	7.8410	5.3377	.7305	.9158	1.2799	21.5549
2016	5.4500	7.7700	5.3377	.7305	.9158	1.2629	21.4669
2017	5.4200	7.3180	5.3377	.7500	.9158	1.2448	20.9863
2018	5.4200	7.0090	5.3590	.7500	.9158	1.2262	20.6800
2019	5.4200	6.7270	5.3590	.7500	.9158	1.2086	20.3804
2020	5.3700	6.5840	5.3590	.7500	.9158	1.1932	20.1720

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

B) County includes:

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

C) Other includes:

Pinellas County Planning Council	0.0150
Juvenile Welfare Board	0.8981
SW Florida Water Mgt. District	0.2801
	<u>1.1932</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	2020			2011		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Centro N P Tarpon Mall LLC	\$ 20,460,000	1	1.07%	\$ 14,375,000	1	1.03%
CRP/CRE - Sun Valley LLC	16,800,000	2	0.88%	-	-	-
CRP/CRE Meadows Owner LLC	14,190,000	3	0.74%	-	-	-
DDR Tarpon Square LLC	11,565,000	4	0.60%	8,933,989	3	0.64%
Lowes Home Centers Inc	10,804,488	5	0.56%	-	-	-
Riverside Partners LTD	8,360,000	6	0.44%	10,675,000	2	0.77%
Wal-Mart Stores East LP	7,650,000	7	0.40%	5,056,064	8	0.36%
Storage Trust Properties	7,160,000	8	0.37%	4,850,000	10	0.35%
Lime Street Properties Inc	7,040,000	9	0.37%	4,975,000	9	0.36%
SUSO1 FUQUAY LP	6,950,000	10	0.36%	-	-	-
Shamrock Millco-Sun Valley LLC	-	-	-	7,350,000	4	0.53%
River Site LLC	-	-	-	6,710,024	5	0.48%
Turtle Cove Group LLC	-	-	-	6,007,321	6	0.43%
CRP II - Tarpon Springs LLC	-	-	-	5,324,102	7	0.38%
TOTAL	\$ <u>110,979,488</u>		<u>5.79%</u>	\$ <u>74,256,500</u>		<u>5.33%</u>

A) Percentages are based on the total assessed value of \$ 1,916,653,655

B) Percentages are based on the total assessed value of \$ 1,394,806,436

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	2020			2011		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Duke Energy (Florida Power Corp)	\$ 22,911,668	1	1.20%	\$ 15,271,611	1	1.09%
Frontier CommunicationsVerizon Florida LLC	5,830,215	2	0.30%	10,390,965	2	0.74%
Hertz Equip Rental Corp	4,837,685	3	0.25%	949,407	9	0.07%
Lowe's of Tarpon Springs	3,810,695	4	0.20%	-	-	-
Bright House Networks LLC	3,001,792	5	0.16%	3,492,981	3	0.25%
St Lukes Cataract & Laser Inst. Inc	2,378,104	6	0.12%	2,481,898	4	0.18%
Southern Road & Bridge LLC	2,031,952	7	0.11%	-	-	-
Reload Gun Range	2,029,388	8	0.11%	-	-	-
Seminole Equipment INC	1,493,631	9	0.08%	-	-	-
Wal-Mart Stores East LP	1,349,171	10	0.07%	-	-	-
General Electric Capital Corp	-	-	-	2,254,610	5	0.16%
Sweetbay Supermarket	-	-	-	1,881,991	6	0.13%
Winn Dixie	-	-	-	1,341,618	7	0.10%
Publix Supermarket #144	-	-	-	1,274,795	8	0.09%
Bar G Enterprises	-	-	-	745,089	10	0.05%
TOTAL	\$ <u>49,674,301</u>		<u>2.60%</u>	\$ <u>40,084,965</u>		<u>2.86%</u>

A) Percentages are based on the total assessed value of \$ 1,916,653,655

B) Percentages are based on the total assessed value of \$ 1,394,806,436

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
2011	\$ 7,601,697	\$ 7,355,168	96.76%	\$ 48,396	\$ 7,403,564	97.39%
2012	7,241,470	6,992,075	96.56%	37,816	7,029,891	97.08%
2013	7,075,982	6,823,866	96.44%	39,192	6,863,058	96.99%
2014	7,172,129	6,921,677	96.51%	17,994	6,939,671	96.76%
2015	7,629,535	7,365,640	96.54%	31,032	7,396,672	96.95%
2016	8,077,989	7,798,312	96.54%	21,735	7,820,047	96.81%
2017	8,547,890	8,257,776	96.61%	14,828	8,272,604	96.78%
2018	9,204,337	8,883,785	96.52%	12,213	8,895,998	96.65%
2019	9,773,060	9,425,095	96.44%	14,794	9,439,889	96.59%
2020	10,292,431	9,918,870	96.37%	7,034	9,925,904	96.44%

A) These amounts are net of discounts taken.

B) This column represents delinquent collections received that fiscal year prior to FY 2012.

FY 2012 is the first year the County Tax Collector allocated delinquent taxes collected by the year levied.

Note 1:

Discounts are allowed for early payment: 4% for November, 3% for December, 2% for January, and 1% for February.

No discount is allowed for payment in March. Penalties are assessed beginning in April.

Source: Pinellas County Property Appraiser.

City of Tarpon Springs, Florida
Schedule 10
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
	Revenue Note	Capital Leases	Revenue Bonds	Grant Anticipation Note	Capital Leases			
2011	\$ 424,000	\$ -	\$ 6,673,965	\$ -	\$ -	\$ 7,097,965	0.74%	302
2012	287,000	-	6,673,965	-	-	6,960,965	0.70%	293
2013	146,000	-	36,255,249	6,741,900	-	43,143,149	3.79%	1,803
2014	-	-	36,238,777	11,197,727	-	47,436,504	4.30%	1,959
2015	-	-	35,432,306	-	-	35,432,306	3.16%	1,451
2016	-	-	34,595,836	-	-	34,595,836	2.94%	1,404
2017	-	-	33,729,364	-	-	33,729,364	2.73%	1,344
2018	-	-	32,832,892	-	-	32,832,892	2.55%	1,290
2019	-	-	31,901,421	-	-	31,901,421	2.34%	1,251
2020	-	894,121	30,944,951	-	-	31,839,072	2.34%	1,228

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

A) See Schedule 15 for personal income and population data.

City of Tarpon Springs, Florida
Schedule 11
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u> General Obligation Bonds	<u>Revenue Note</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Real Property (A)</u>	<u>Per Capita (B)</u>
2011	\$ -	\$ 424,000	\$ 424,000	0.03%	18
2012	-	287,000	287,000	0.02%	12
2013	-	146,000	146,000	0.01%	6
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	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, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (A)</u>	<u>Estimated Share of Overlapping Debt</u>
Pinellas County Bonds/Notes	\$ 12,691,808	2.24%	\$ 284,296
Pinellas County Capital Leases	615,497	2.24%	13,787
Pinellas County School District Certificates of Participation	61,059,813	2.24%	1,367,740
Pinellas County School District State Bonds	14,000	2.24%	314
Pinellas County School District Capital Leases	3,873,480	2.24%	86,766
Subtotal, overlapping debt			<u>1,752,904</u>
City direct debt	894,121	100.00%	<u>894,121</u>
Total direct and overlapping debt			<u><u>\$ 2,647,025</u></u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$1,916,653,655/\$85,468,863,997).

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 2020	
Assessed value (A)	1,916,653,655
Debt limit (100% of total assessed value) (B)	<u>\$ 1,916,653,655</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	-
Capital leases	<u>894,121</u>
Total net debt applicable to limit	<u>894,121</u>
Legal debt margin	<u><u>\$ 1,915,759,534</u></u>

	Fiscal Year					Fiscal Year				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit (B)	\$ 1,394,806,436	\$1,328,709,893	\$1,298,345,335	\$1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510	\$ 1,916,653,655
Total net debt applicable to limit (C)	<u>424,000</u>	<u>287,000</u>	<u>146,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>894,121</u>
Legal debt margin (B)	\$ 1,394,382,436	\$1,328,422,893	\$1,298,199,335	\$1,315,986,557	\$ 1,399,914,272	\$ 1,482,199,668	\$ 1,577,101,454	\$ 1,698,217,099	\$ 1,803,147,510	\$ 1,915,759,534
Total net debt applicable to the limit as a percentage of debt limit	0.03%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%

A) Assessed value provided by Pinellas County Property Appraiser, and is Total Taxable Assessed Value.

B) The City of Tarpon Springs has not adopted a legal debt limit; however, the City has traditionally practiced conservative debt issuance.

C) Includes all general government debt not supported by Enterprise Funds.

City of Tarpon Springs, Florida
Schedule 14
Pledged-Revenue Coverage,
Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue Bonds							
	Gross Revenues		Less: Operating Expenses (B)	Net Available Revenue	Debt Service			Coverage
					Principal	Interest	Total	
2011	\$ 11,187,120	A	\$ 7,807,205	\$3,379,915	\$ -	\$ 51,182	\$ 51,182	66.04
2012	11,941,116	A	7,762,107	4,179,009	-	52,075	52,075	80.25
2013	12,947,503	C	8,763,536	4,183,967	-	202,800	202,800	20.63
2014	13,327,366	C	8,823,343	4,504,023	-	873,784	873,784	5.15
2015	13,858,647	C	9,403,297	4,455,350	790,000	1,306,356	2,096,356	2.13
2016	14,803,807	C	8,073,401	6,730,406	820,000	1,223,312	2,043,312	3.29
2017	15,779,350	C	8,568,453	7,210,897	850,000	1,193,013	2,043,013	3.53
2018	16,869,252	C	8,649,025	8,220,227	880,000	1,161,563	2,041,563	4.03
2019	17,120,552	C	9,049,227	8,071,325	915,000	1,129,013	2,044,013	3.95
2020	17,670,251	C	9,656,986	8,013,265	940,000	1,101,563	2,041,563	3.93

A) Includes interest earnings and gross revenues of the Water and Sewer Fund and 45.5% of sewer impact revenues and interest thereon.

B) Excludes depreciation and contributions to the General Fund for administrative expenses.

C) Includes interest earnings (net of unrealized gain or loss) and gross revenues of the Water and Sewer Fund and 100% of water impact fees.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Tarpon Springs, Florida
Schedule 15
Demographic and Economic Statistics,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (A)</u>	<u>Personal Income (per thousand) (B)</u>	<u>Per Capita Income (B)</u>	<u>Median Age (C)</u>	<u>School Enrollment (D)</u>	<u>Unemployment Rate (E)</u>
2011	23,465	\$ 964,646	\$ 41,110	46.3	6,735	10.3%
2012	23,737	996,099	41,964	46.5	6,222	10.5%
2013	23,935	1,137,463	47,523	47.4	5,756	8.5%
2014	24,220	1,103,802	45,574	47.7	6,596	6.7%
2015	24,421	1,121,534	45,925	47.5	6,597	6.3%
2016	24,637	1,175,949	47,731	47.8	6,328	5.4%
2017	25,093	1,234,224	49,186	48.0	6,449	4.9%
2018	25,455	1,288,787	50,630	48.1	6,471	4.2%
2019	25,507	1,363,477	53,455	48.3	6,514	3.6%
2020	25,937	1,362,834	52,544	49.2	6,483	3.3%

Source:

- A) Pinellas County Economic Development Department, City Planning Department, Bureau of Economic & Business Research at the University of Florida.
- B) Data is from per capita personal income for Pinellas County for one year prior. Source is the Bureau of Economic & Business Research at the University of Florida, and Florida Office of Economic and Demographic Research.
- C) Data is from per capita personal income for Pinellas County. Source is the Bureau of Economic & Business Research at the University of Florida, and Pinellas County Economic Development.
- D) Pinellas County School Board, Public school enrollment, elementary through high school. Includes East Lake High School.
- E) U.S. Department of Labor - Bureau of Labor Statistics, and Pinellas County Planning Department. and Florida Department Economic Development Opportunity.

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

Employer	2020		2011	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	4,000	1	2,600	4
Home Shopping Club	2,000	2	4,000	1
Tech Data Corp.	2,000	3	2,500	5
Spectrum	2,000	4	-	-
Fidelity Information Services	1,500	5	4,000	2
The Nielsen Company	1,500	6	3,000	3
Jabil Circuit, Inc.	1,500	7	1700	7
Honeywell Aerospace	1,500	8	-	-
Valpak	1,500	9	-	-
Superior Uniform Group	1,000	10	-	-
Agora Marketing Solutions	-	-	1,800	6
Western Reserve Life Assur.	-	-	1,500	8
Ceridian Benefit Services	-	-	1,200	9
Franklin Templeton Invest.	-	-	1,200	10
TOTAL	18,500		23,500	

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General government	29.80	28.80	29.80	29.80	29.80	31.10	32.10	32.77	33.77	34.77
Public safety	107.00	105.00	106.00	106.00	106.00	111.00	114.00	117.36	119.20	120.10
Physical environment	15.20	15.20	14.20	13.20	12.45	11.65	12.65	11.40	11.40	11.40
Transportation	10.30	10.30	9.30	9.30	8.40	8.40	8.40	8.40	8.40	8.40
Economic Environment	2.20	2.20	2.20	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Culture/recreation	38.00	37.00	37.00	36.45	38.40	36.65	36.65	38.95	38.95	38.95
Water/Sewer	58.55	58.55	59.55	59.55	60.27	73.07	73.82	74.73	75.09	79.12
Sanitation	7.60	7.60	7.60	7.60	8.40	7.40	7.40	7.55	7.55	8.55
Stormwater	7.25	8.25	8.25	8.25	8.43	7.93	7.93	8.59	8.59	8.66
Golf Course	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Marina	0.10	0.10	0.10	1.00	1.00	1.20	1.20	1.20	1.20	1.20
Total	280.00	277.00	278.00	278.00	281.00	296.25	302.00	308.80	312.00	319.00

Source: City Budget documents.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Public safety										
Police										
Arrests	990	942	1,007	1,008	1,008	1,048	961	984	1,424	1,049
Parking violations	553	227	623	341	217	125	303	269	150	140
Citations	3,635	3,004	3,184	2,570	1,981	1,852	2,125	2,125	1,979	1,430
Fire/EMS										
Fire calls	65	71	55	45	68	77	227	61	71	68
EMS calls	2,766	2,672	3,291	3,377	3,518	3,852	3,970	4,016	3,998	4,358
False alarms	185	151	141	195	199	223	247	201	188	182
Culture/recreation										
Community center attendance	14,316	12,767	13,607	13,211	13,695	25,881	32,328	33,980	31,641 A	12,532
Leagues	10	11	13	12	9	7	7	7	8	4
Library-circulation	290,703	303,567	287,679	287,558	287,797	264,140	246,149	229,706	233,973	254,744
Library-materials	106,762	110,582	101,285	100,734	92,341	99,715	96,242	95,289	96,594	99,611
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,644	2,679	2,707	2,602	2,513	2,525	2,493	2,405	2,839	2,892
Sewer										
Annual average daily flow (thousands of gallons)	1,874	2,115	2,030	1,870	1,950	2,140	2,070	1,970	2,100	2,000
Golf Course										
Rounds of golf played	55,104	56,984	58,535 *	40,320	48,091	47,194	47,184	44,317	39,311	41,894

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

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

Source: City Departments

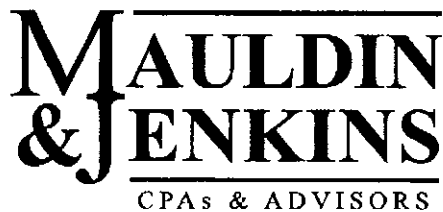
City of Tarpon Springs, Florida
Schedule 19
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	3	3	3	3
Transportation										
Streets paved	92.8	93.0	93.0	95.5	95.5	96.6	107.0	118	118.4	118.4
Streets unpaved	1.2	1.0	1.0	1.0	1.0	1.0	4.8	3.5	3.6	3.6
Culture/recreation										
Parks acreage	430.39	430.39	431.39	435.56	435.56	435.56	435.56	435.56	435.56	435.64
Playgrounds	18	18	18	18	18	19	19	19	19	19
Baseball/softball fields	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation centers	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water/Sewer										
Water mains/miles	160	160	160	160	146	157	168	175	180.2	180.2
Sanitary sewer mains/miles	72.0	84.0	84.0	84.0	88.8	93.7	101.0	102.7	104.2	106.0
Treatment daily capacity	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd
Golf Course										
Number of holes	18	18	18	18	18	18	18	18	18	18
Marina										
Boat slips	19	19	19	19	19	19	19	21	21	19

Sources: City Departments



**REPORTS OF INDEPENDENT AUDITORS/
COMPLIANCE SECTION**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City"), as of and for the year ended September 30, 2020, 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 30, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bradenton, Florida
March 30, 2021

Mauldin & Jenkins, LLC



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, 2020, and have issued our report thereon dated March 30, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Responses; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in these reports, which are dated March 30, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

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

Additional Matters

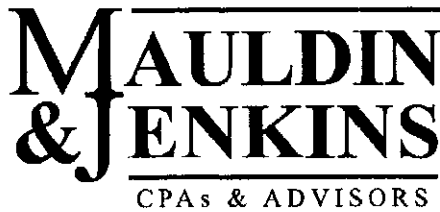
Section 10.554(1)(i)3., *Rules of the Auditor General*, require us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants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

Purpose of this Letter

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

Bradenton, Florida
March 30, 2021

Mauldin & Jenkins, LLC



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Tarpon Springs, Florida's (the "City") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2020. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

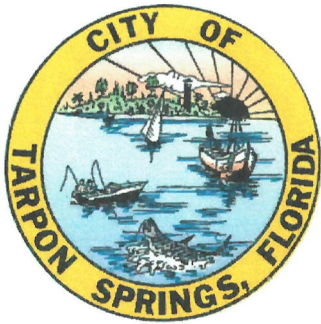
Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

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.

Bradenton, Florida
March 30, 2021

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



City of Tarpon Springs, Florida

City of Tarpon Springs
Section 163.31801 Compliance

Affidavit

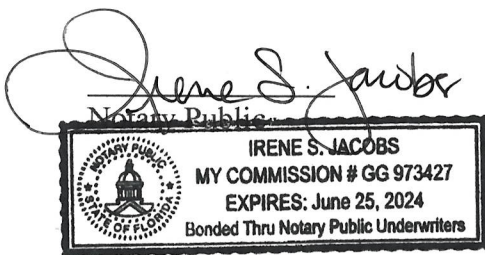
As Finance Director of the City of Tarpon Springs, my signature below indicates that the City of Tarpon Springs has complied with "Section 163.31801 – Impact fees" of the Florida Statutes for the fiscal year ending September 30, 2020.

Finance Director
City of Tarpon Springs, Florida

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this March 30, 2021,
by Ron Harring, Finance Director of the City of Tarpon Springs, who is personally
Known to me or has produced _____ as identification.

"Personally Known"



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

