

5. REPORTS TO BE RECEIVED FOR FILING:

- a. Division of Inspector General, Audit Services, Clerk of the Circuit Court and Comptroller, Report No. 2014-14 dated May 13, 2014 – Follow-Up Audit of Non-Engineering Consulting Contracts.
- b. Housing Finance Authority Resolution No. 2014-04 adopting and approving an amended Fiscal Year 2014 Operating Budget.
- c. City of Belleair Beach Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2013.
- d. City of Tarpon Springs Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2013, together with Schedules of Revenues and Expenditures of the Fire and EMS Departments.
- e. Dock Fee Report for the month of April 2014.

# *City of Tarpon Springs, Florida*



## *"Sunset Beach"*

### **Comprehensive Annual Financial Report**

Fiscal Year Ended September 30, 2013



**CITY OF TARPON SPRINGS, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended September 30, 2013**

**MAYOR AND BOARD OF COMMISSIONERS**

David O. Archie, Mayor  
Susan Slattery, Vice-Mayor  
Jeffrey S. Larsen, Commissioner  
Townsend Tarapani, Commissioner  
David Banther, Commissioner

**ADMINISTRATION**

Mark G. LeCouris, City Manager  
Arie L. Walker, Finance Director  
Ron Harring Assistant Finance Director  
Irene S. Jacobs, City Clerk  
Jay Daigneault, 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, 2013**

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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  
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March 28, 2014

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, 2013.

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 Mayer Hoffman McCann P.C., 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, 2013 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 unqualified opinion that the City of Tarpon Springs' financial statements for the Fiscal Year ended September 30, 2013, 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 23,935. 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-21 through B-22 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 outlook for fiscal year 2014 shows signs of improving economic conditions. Property tax valuations and property tax revenues both decreased over past years but are anticipated to not decrease but to possibly increase slightly. 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 billing rates were increased on October 1, 2008, and also approved were rate increases for each of the nine years thereafter. In FY 2010 the rates for FY 2011 through FY 2019 were re-adjusted and increased due to dramatic increases in the cost of purchased water, water use restrictions that reduced demand and revenues, lack of customer growth and a delay in the timing of the alternative water project.

On February 5, 2013 the Board of Commissioners awarded the bid for construction of the new Alternative Water Supply Project along with the approving Bond Resolutions. Completion of the Project is expected to be April 15, 2015. The City received a rating from Standard & Poor's of AA-/Stable on February 14, 2013 on the Utility System Revenue Bonds, Series 2013A. The Utility System Revenue Bonds, Series 2013A were priced and sold on February 20, 2013 with a par amount of \$35,795,000 and were closed on March 12, 2013.

**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. In addition, independent certified public accountants perform annual reviews as part of their examination of the financial statements.

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, 2013 based on the specific purpose for which the resources have been restricted, committed or assigned.

### **Governmental Funds**

Governmental Funds are used to account for primarily tax-supported services (as distinguished from those services supported primarily from user charges). The three governmental fund types are the general, special revenue, and capital projects.

The following table is a summary of revenues by source for all governmental funds for Fiscal Year 2013, with comparative figures for 2012:

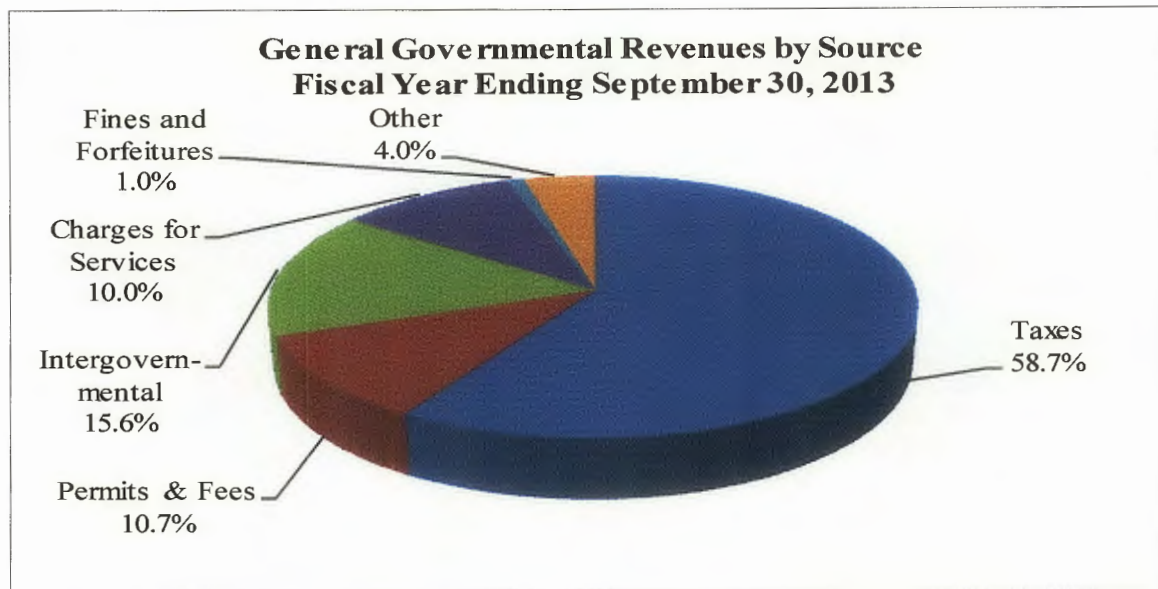
	2013	2012	Increase (Decrease)	Percent Increase (Decrease)	Percent of Total	
					2013	2012
Revenues:						
Taxes	\$ 12,867,116	\$ 12,790,682	\$ 76,434	0.6%	58.7%	59.8%
Permits & Fees	2,346,719	1,961,249	385,470	19.7%	10.7%	9.2%
Intergovernmental	3,408,688	2,650,694	757,994	28.6%	15.6%	12.4%
Charges for Services	2,179,396	1,967,159	212,237	10.8%	10.0%	9.2%
Fines and Forfeitures	211,463	233,909	(22,446)	-9.6%	1.0%	1.1%
Other	873,106	1,772,274	(899,168)	-50.7%	4.0%	8.3%
Total Revenues	<u>\$ 21,886,488</u>	<u>\$ 21,375,967</u>	<u>\$ 510,521</u>	2.4%	<u>100.0%</u>	<u>100.0%</u>

Below are the major explanations for the increases (decreases) in the categories mentioned above:

Taxes	Property Taxes decreased \$168,209 (not including delinquent taxes); a \$155,956 decrease in the General Fund and a \$12,253 decrease in the CRA Fund Infrastructure Sales Tax (Penny for Pinellas) increased \$99,780 Communication Service Tax decreased \$34,840 Utility Tax - Electricity increased \$155,137 Utility Tax - Water increased \$51,714
Permits & Fees	Franchise Fees - Electricity decreased \$43,184 Impact fees increased \$288,707 Building Permits increased \$51,875 Tree Bank receipts increased \$85,071
Intergovernmental	Half-Cent Sales Tax increased \$55,789 State Revenue Sharing increased \$6,257 Shoreline Stabilization Grant from Pinellas County \$497,425 Park Lighting Retrofit Grant \$210,000 Federal Equitable Sharing increased \$42,247
Charges for Services	Fire District fees increased \$20,552 EMS District fees increased \$98,443 Plan Checking Fees increased \$18,463
Fines & Forfeitures	Court Fines and Code Enforcement violations decreased \$22,446
Other	Land Sales decreased \$663,501 (\$620,000 So. Pinellas Ave. land sale in FY 2012) Interest Earnings decreased \$197,456

Property taxes remain the most important single revenue provided to Governmental Funds, representing approximately one-third of the total. Property taxes collected in 2012/2013 were \$6,853,987 (\$30,121 of which were delinquent fees and \$123,687 is recorded in the CRA Fund) which represented 31.3% of total revenue and other sources. Comparable figures from the previous year were \$7,026,707 and 32.9% respectively. The majority of property taxes are received in the General Fund and a small portion (\$123,687) is received in the Community Redevelopment Agency – Downtown Fund.

The following graph is a summary of revenues by source for all governmental funds at Fiscal Year Ending September 30, 2013.



The following table is a summary of expenditures for all governmental funds for Fiscal Year 2013, with comparative figures for 2012:

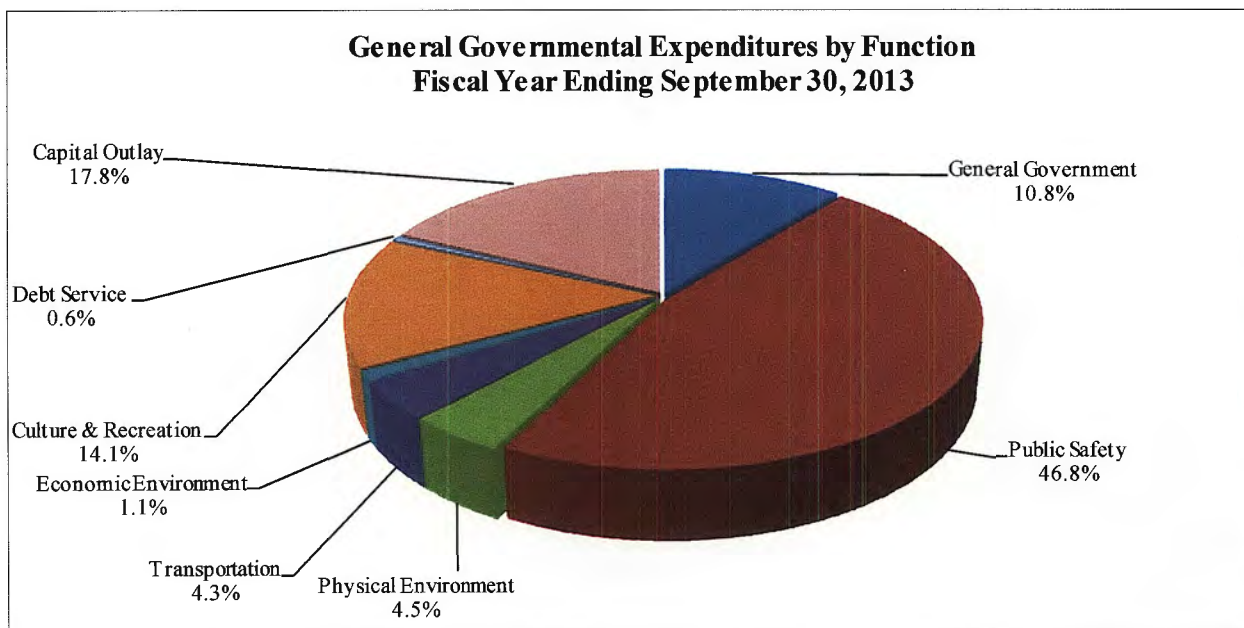
	2013	2012	Increase (Decrease)	Percent Increase (Decrease)	Percent of Total	
					2013	2012
<b>Expenditures:</b>						
General Government	\$ 2,644,069	\$ 2,563,972	\$ 80,097	3.1%	10.8%	11.6%
Public Safety	11,401,751	10,883,704	518,047	4.8%	46.8%	49.4%
Physical Environment	1,075,278	1,147,784	(72,506)	-6.3%	4.5%	5.2%
Transportation	1,039,533	994,527	45,006	4.5%	4.3%	4.5%
Economic Environment	276,719	199,870	76,849	38.4%	1.1%	0.9%
Culture and Recreation	3,449,764	3,476,283	(26,519)	-0.8%	14.1%	15.8%
Debt Service	149,114	149,542	(428)	-0.3%	0.6%	0.7%
Capital Outlay	4,344,599	2,634,800	1,709,799	64.9%	17.8%	11.9%
<b>Total Expenditures</b>	<b>\$ 24,380,827</b>	<b>\$ 22,050,482</b>	<b>\$ 2,330,345</b>	<b>10.6%</b>	<b>100.0%</b>	<b>100.0%</b>



Below are the major explanations for the increases (decreases) in the categories mentioned above:

General Government	Increase due to IT security \$63,240
Public Safety	Increase due in part to \$422,000 increase in Police and Fire retirement expenditures
Physical Environment	Decrease due to vacant positions part of year in City Buildings and Cemetery Departments Decrease due to County Street Lights annual billing (\$43,420) reclassified to Transportation
Transportation	Increase due to County Street Lights annual billing (\$43,420) reclassified from Physical Environment
Economic Environment	Increase due to new Economic Development Manager full year in FY 2013, nine months FY 2012 CRA Façade Grants approved and paid \$39,084
Culture and Recreation	Decrease due to vacant positions part of year in Parks & Parkways
Debt Service	Scheduled decrease on Revenue Note for Fire Ladder Truck
Capital Outlay	Increase in Capital expenditures for projects in FY 2013: Bayou Shoreline Restoration \$994,850 Craig Park Seawall \$391,787 North Safford Construction \$384,704 Chesapeake Brick Street \$293,092

The following graph is a summary of expenditures for all governmental funds at Fiscal Year Ending September 30, 2013.



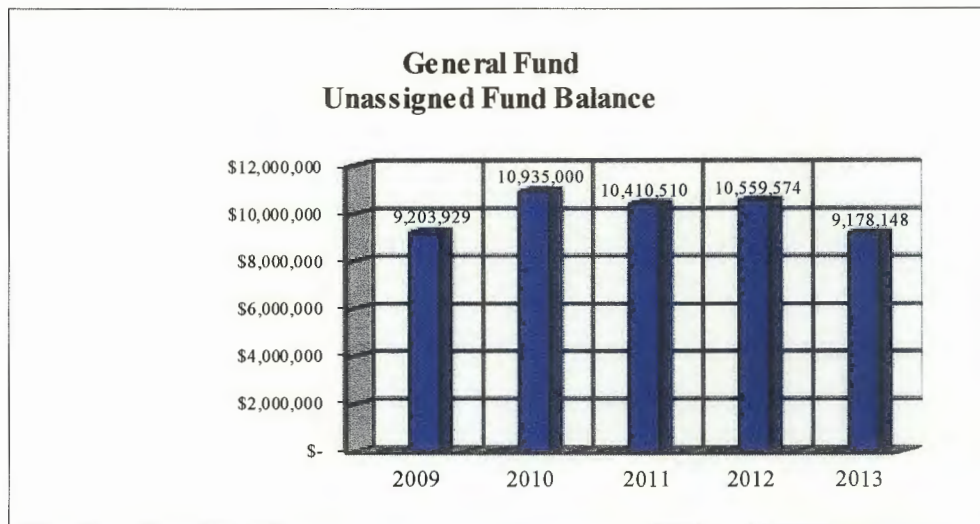
## General Fund

Since the General Fund accounts for the majority of general governmental revenues and expenditures, the next couple of pages will highlight only activity within the General Fund. General Fund activity is usually of the greatest interest to City officials and citizens, because its operations directly impact property taxes. An analysis of the General Fund information, as presented in the financial statements, reflects a net change (decrease) in fund balance of (\$871,386) which includes transfers from the Enterprise Funds. This amount represents a negative (4.33%) of Fiscal 2013 total expenditures and a negative (4.05%) of the final Fiscal 2013 expenditure budget. Comparable figures for 2012 were \$282,943, and 1.8%, and 1.3% respectively.

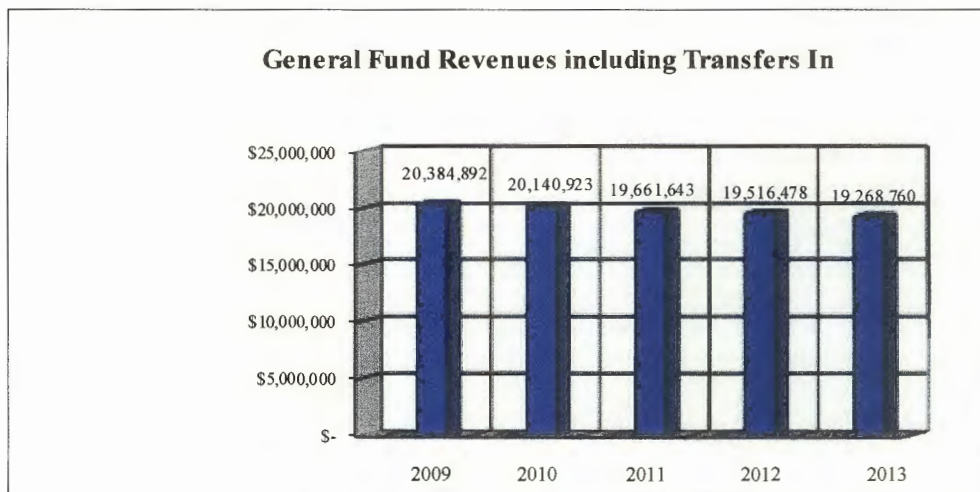
A history of the General Fund's fund balance - unassigned (year-end available, unrestricted, uncommitted and unassigned fund balance) for the past five fiscal years is on the following graph.

The (available) unassigned fund balance is unrestricted, uncommitted and unassigned, and can be appropriated in future years. It is a cushion for use during revenue shortfalls, emergencies, and for unanticipated projects.

As shown in the following graph, the available unassigned fund balance is \$9,178,148 at the end of Fiscal Year 2013. Total General Fund - fund balance at the end of Fiscal Year 2013 is \$16,720,204, with the difference between the total and the unassigned balance of \$9,178,148, which is \$7,542,056, being restricted, committed or assigned for future purposes such as 1) restricted for donations received (\$251,147), 2) commitments for perpetual care of the cemetery (\$1,846,470) and the tree bank (\$249,433), 3) assigned to compensated absences for vacation and sick accrual of (\$1,106,665) and for subsequent years expenditures (\$2,247,281), which is carryover used to balance the Fiscal Year 2014 Budget.



The graph below presents the General Fund's total revenues including transfers in and debt proceeds for the past five fiscal years:



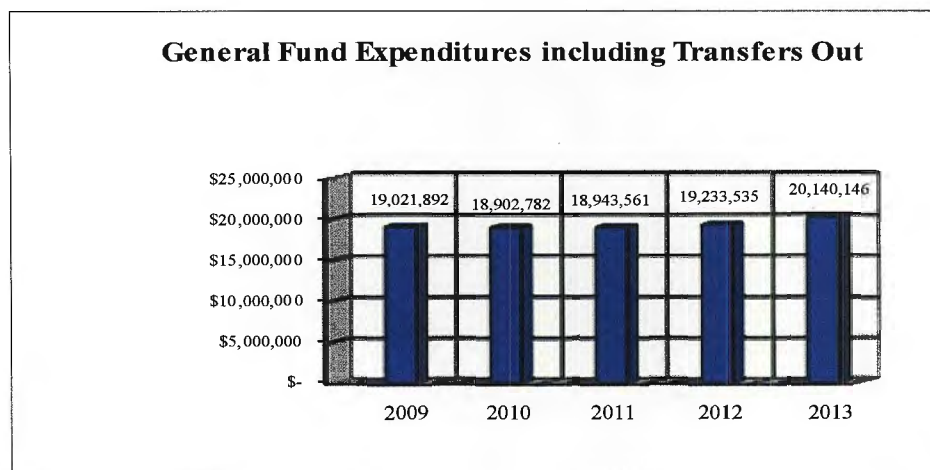
The table below presents the General Fund total revenues by source for the past five fiscal years:

General Fund Revenues by Source including Transfers In					
Source	Fiscal Year				
	2009	2010	2011	2012	2013
Taxes	\$ 11,594,289	\$ 11,460,870	\$ 11,034,450	\$ 10,596,687	\$10,579,838
Permits & Fees	1,991,985	2,234,643	2,228,635	1,882,772	1,979,535
Intergovernmental	1,955,583	1,943,727	1,977,894	2,035,794	2,159,356
Charges for Services	2,068,616	2,018,521	1,881,376	1,967,159	2,179,396
Fines & Forfeitures	135,292	212,860	222,491	199,530	191,364
Miscellaneous	1,510,502	1,118,388	1,147,134	1,583,557	828,659
Transfers In	1,128,625	1,151,914	1,169,663	1,250,979	1,350,612
Total Revenues	\$ 20,384,892	\$ 20,140,923	\$ 19,661,643	\$ 19,516,478	\$19,268,760

Total revenues for the General Fund decreased by \$247,718 from Fiscal Year 2012 to Fiscal Year 2013. The most significant increases and decreases in General Fund Revenues included:

Taxes	Property Taxes decreased \$155,956 (not including delinquent fees) Communication Service Tax decreased \$34,840 Utility Tax - Electricity increased \$155,137
Permits & Fees	Franchise Fees - Electricity decreased \$43,184 Tree Bank receipts increased \$85,071 Building Permits increased \$51,875
Intergovernmental	Half-Cent Sales Tax increased \$55,789 State Revenue Sharing increased \$6,257 RNC Grant \$22,503
Charges for Services	Fire District fees increased \$20,552 EMS District fees increased \$98,443 Plan Checking Fees increased \$18,463
Fines & Forfeitures	Code Enforcement Fines decreased \$6,267 Court Fines decreased \$2,589
Miscellaneous	Land sales decreased \$663,501 (\$620,000 So. Pinellas Ave. land sale in FY 20 Interest Earnings decreased \$145,694

The graph below presents the General Fund total expenditures including transfers out for the past five fiscal years:





The table below presents the General Fund expenditures by function for the past five fiscal years:

General Fund Expenditures by Function including Transfers Out					
Function	Fiscal Year				
	2009	2010	2011	2012	2013
General Government	\$ 3,000,035	\$ 2,952,196	\$ 2,852,948	\$ 2,563,972	\$ 2,644,069
Public Safety	10,263,696	10,322,397	10,364,987	10,578,739	11,277,917
Physical Environment	1,009,415	1,049,004	1,055,814	1,142,894	1,070,954
Transportation	1,088,535	1,027,465	1,002,303	994,527	1,039,533
Economic Environment	-	-	-	73,603	107,884
Culture & Recreation	3,248,012	3,271,794	3,208,053	3,254,554	3,181,424
Debt Service	-	-	-	-	-
Capital Outlay	412,199	273,253	459,456	625,246	807,611
Transfers Out	-	6,673	-	-	10,754
Total Expenditures	\$ 19,021,892	\$ 18,902,782	\$ 18,943,561	\$ 19,233,535	\$ 20,140,146

Total expenditures for the General Fund increased by \$906,611 from Fiscal Year 2012 to Fiscal Year 2013. The most significant increases and decreases in General Fund Expenditures included:

General Government	Increase due to IT security \$63,240
Public Safety	Increase due in part to \$422,000 increase in Police and Fire retirement expenditures
Physical Environment	Decrease due to County Street Lights annual billing (\$43,420) reclass to Transportation
Transportation	Increase due to County Street Lights annual billing (\$43,420) reclass from Phy. Environment
Economic Environment	Increase due to new Economic Development Manager full year in FY 2013, 9 months FY 2012
Culture and Recreation	Decrease due to vacant positions part of year in Parks & Parkways
Capital Outlay	Cemetery fence \$179,957
	Lowes infrastructure \$142,021

## Enterprise Funds

Apart from factors relating to the quality and efficiency of the services provided, which are beyond the scope of this report, we believe that the financial statements of the Enterprise Funds are helpful in assessing financial performance as measured by net income or loss, net working capital, net income or loss as a percentage of total assets, debt service coverage, and further assessing financial condition as measured by the current ratio and debt to equity ratio. A summary of significant financial information for the City's Enterprise Funds follows:

Fiscal Year	Change in Net Position/ Net Income(Loss)		Working Capital	Net Income (Loss) to Total Assets	Debt Service Coverage	Ratio		
						Debt to Equity	Current	
Major Enterprise Funds:								
<u>Water &amp; Sewer</u>								
2013	\$	3,327,420	\$	7,379,801	4%	20.63	109%	368%
2012		4,209,425		8,855,235	9%	80.25	23%	519%
2011		1,566,620		7,228,177	4%	66.04	24%	579%
<u>Sanitation</u>								
2013		211,660		3,409,932	4%	N/A	25%	462%
2012		173,643		3,195,133	4%	N/A	24%	462%
2011		46,423		2,840,727	1%	N/A	30%	369%
Non-Major Enterprise Funds:								
<u>Storm Water</u>								
2013		257,267		2,367,464	5%	N/A	2%	3020%
2012		289,051		3,555,901	5%	N/A	3%	3029%
2011		448,331		3,655,689	9%	N/A	2%	3479%
<u>Marina</u>								
2013		(35,970)		135,016	-12%	N/A	1%	3812%
2012		(38,790)		154,460	-11%	N/A	1%	7616%
2011		(26,641)		176,463	-7%	N/A	2%	2144%
<u>Golf Course</u>								
2013		107,397		(698,190)	12%	N/A	748%	5%
2012		10,404		(840,832)	1%	N/A	-18952%	4%
2011		(15,663)		(884,188)	-2%	N/A	-6256%	4%

#### Major Enterprise Funds:

The Water and Sewer Fund's net income for Fiscal Year 2013 was \$3,327,420, of this amount \$1,752,450 is from a grant with SWFMD (Southwest Florida Water Management District) for funding of the new Alternative Water Plant. Operating revenues increased \$950,384, of this amount water sales increased \$627,906 and sewer sales increased \$210,452. Operating expenses increased \$1,053,288, with the wholesale water purchased from Pinellas County increasing \$888,274 due to meter adjustments by the County. Rates were increased on October 1, 2008 and for the next eight years through FY 2017 and were then re-adjusted for FY 2011 through FY 2019. The increase/adjustment was necessary due to decreased water consumption, the growth rate was less than the assumptions in the rate model, a significant increase in the purchased water cost, and increased operating costs primarily for electricity. 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. For Fiscal Year 2013 the City's debt service coverage was 20.63 (see Schedule 14 of the Statistical Section for a history of the debt service coverage).

The Sanitation Fund's net income was \$211,660 for Fiscal Year 2013. Fiscal Year 2013 was the second year of a new five year contract with the City's garbage contractor, the rate was increased 1.99% based on

the approved CPI index. Operating revenues increased \$111,774, of this sanitation fees increased \$111,875, recycling fees increased \$1,204 and yard waste fees (not part of the garbage contract) decreased \$6,979. Operating expenses increased \$4,055. The City administration portion remained at 20% in order to cover the operational expenses.

#### Non-Major Enterprise Funds:

The Storm Water Fund's net income was \$257,267 for Fiscal Year 2013. Storm Water operating revenues increased \$6,456 and operating expenses increased \$72,291 as the City implements its Storm Water Action Plan.

The Marina Fund's net loss was \$35,970 for Fiscal Year 2013. Marina operating revenues increased \$5,449 and operating expenses increased \$4,019.

The Golf Course Fund reported a net income of \$107,397 for Fiscal Year 2013. Golf Course operating revenues increased \$50,540 and operating expenses increased \$4,548. There was a land sale for \$40,964.

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

During Fiscal Year 2013, the average cash/investment pool balance was \$49,788,171 and the total annual earnings net of all bank charges was \$33,202 giving an average rate of return of .07% on the average balance. The City experienced positive investment earnings in all investments except for the Florida Municipal Investment Trust Funds (FMIVT) Intermediate High Quality Bond Fund which recognized a loss of \$83,817 for the year. The City will monitor this investment in the future to see if our exposure in this investment should be re-allocated.

**Debt Administration.** At September 30, 2013, the City had total outstanding bonds payable of \$35,795,000 representing the Utility System Revenue Bond Series 2013A, a Grant Anticipation Note Series 2013 with a principal balance of \$6,741,900 and a 2009 Revenue Note with a balance of \$146,000. 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, 2013 relative to property values at January 1, 2013 (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.

On February 5, 2013, the Board of Commissioners awarded the bid for construction of the new Alternative Water Supply Project. Also approved on February 5, 2013 was Resolution 2013-06 which amended and restated the Master Utility System Bond Resolution; Resolution 2013-07 which provides for the issuance of not to exceed \$45,000,000 Utility System Revenue Bonds, Series 2013A, for the purpose of refunding the

City's outstanding Utility System Revenue Bond Anticipation Note, Series 2007A, and to finance and/or reimburse the cost of the design, permitting, acquisition and construction of well sites, pipelines and a reverse osmosis water plant project, funding necessary reserves, and paying all related costs; and Resolution 2013-08 authorizing the issuance of a Utility System Grant Anticipation Note, Series 2013 in the aggregate principal amount of not to exceed \$18,530,000 to finance capital cost which are eligible for reimbursement under a Southwest Florida Water Management District Grant for the Reverse Osmosis Plant Project and to pay other related costs.

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

The Utility System Revenue Bonds, Series 2013A were priced and sold on February 20, 2013 with a par amount of \$35,795,000 and were closed on March 12, 2013. The Utility System Grant Anticipation Note, Series 2013 was also authorized for issuance on March 12, 2013 in an amount not to exceed \$18,006,960.

**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, 2013 increased to \$171,067, claims paid during the year increased and a one-time transfer to reimburse user funds in the amount of \$218,274 caused a decrease in the change in net position of \$359,453 with a corresponding decrease in total Net Position to \$2,420,984 as of September 30, 2013. 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 is purchased through Mutual of Omaha.

**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 \$619,116, \$603,936 and \$679,717 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.

The General Employees' pension plan was converted to a Defined Contribution plan following the termination and liquidation of the former Defined Benefit plan in November 1995, and plan assets were allocated to the new Defined Contribution plan. ICMA-RC (International City/County Management Association Retirement Corporation) is the administrator of the plan as of February 22, 2008. 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, 2012. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized 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.

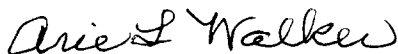
In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2012. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, 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. Special appreciation is expressed to Assistant Finance Director, Ron Harring for his leadership in compiling and producing this Comprehensive Annual Financial Report (CAFR) and composing this Transmittal Letter. We would also like to express our appreciation to all members of the departments who assisted and contributed 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



Arie L. Walker, CPA  
Finance Director



Ron Harring, CPFO, CGFO  
Assistant Finance Director



Government Finance Officers Association

**Certificate of  
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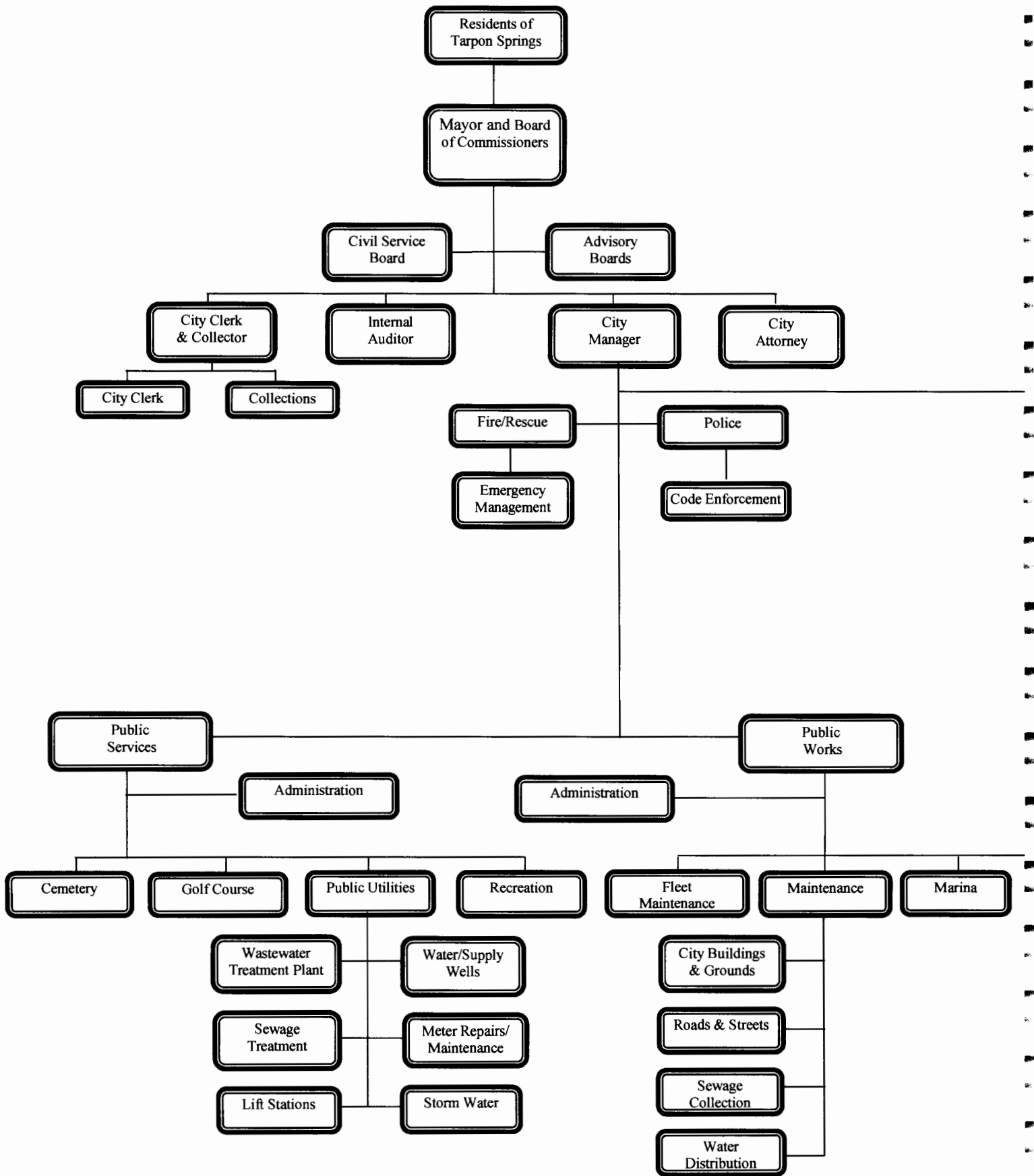
**City of Tarpon Springs  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

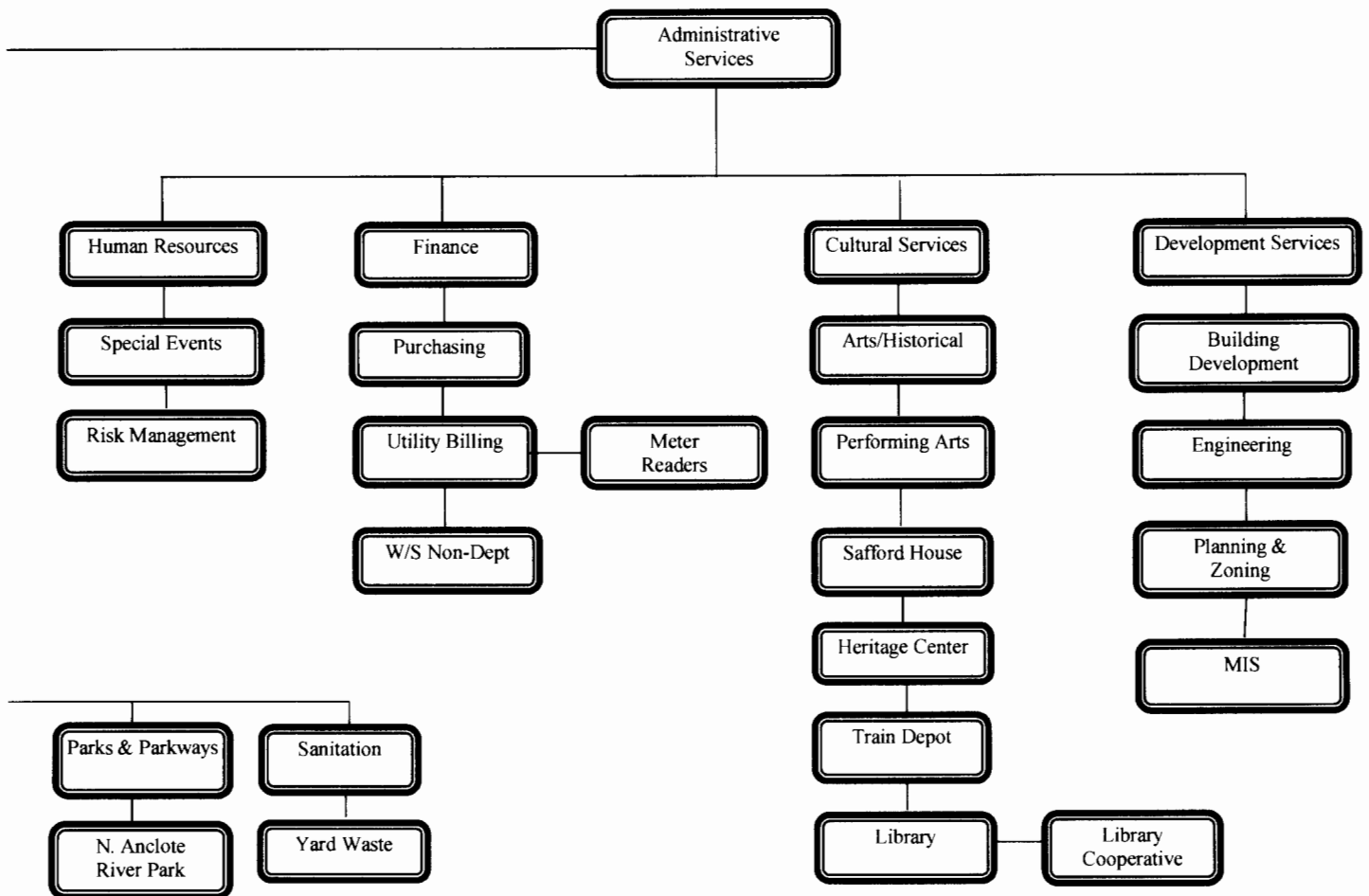
Executive Director/CEO

***Organizational  
Chart***





***City of Tarpon Springs, Florida  
Organizational Chart  
by Department  
FY 2013***





## **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

Supplementary Information

**Independent Auditor's Report**

To the Honorable Mayor and Board of Commissioners  
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, 2013, 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 of Tarpon Springs, Florida, as of September 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof 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, schedules of funding progress, and schedules of contributions relating to the pensions and other post-employment benefits, on pages B-3 – B14 and B83 – B85, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary schedules, and statistical section, 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 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 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 26, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maya Hoffman Mc Cann P.C.*

March 26, 2014  
Clearwater, Florida

## MANAGEMENT'S DISCUSSION AND ANALYSIS

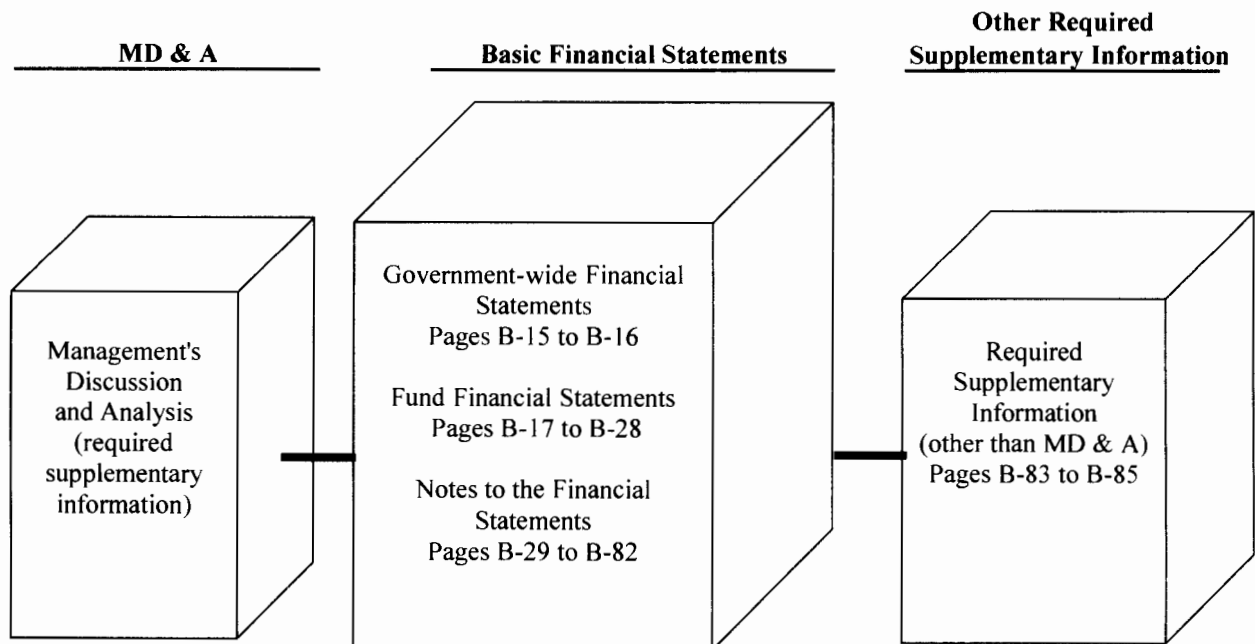
As management of the City of Tarpon Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 to A-13 of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$126,943,061 (net position). Of this amount, \$28,860,666 (unrestricted net position) may be used to meet the governments ongoing obligations to citizens and creditors. The City's total net position increased by \$3,743,839.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$28,877,040, a decrease of \$1,342,964 in comparison with the prior year. The portion of this total amount, \$9,148,808, 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 \$9,178,148, or 46% of the total general fund expenditures.
- The City's total debt increased by \$35,721,935 (513%) during the current fiscal year. The City issued the Utility System Revenue Bonds, Series 2013A for \$35,795,000; the City issued Utility System Grant Anticipation Note, Series 2013 and had draws of \$7,562,117 and principal prepayments of \$820,217 leaving a principal balance of \$6,741,900; the Utility System Bond Anticipation Note, Series 2007A was refunded by the Utility System Revenue Bonds, Series 2013A .

### 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-15 to B-16 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-17 to B-22 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-23 to B-26 of this report.

#### **Fiduciary funds.**

The City maintains two different types of fiduciary funds, pension trust and agency funds. Employee retirement funds are used to report the functions of the pension trust funds, and the agency funds are used to account for the radon gas and transportation impact fee funds. 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-27 to B-28 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-29 to B-82 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-83 to B-85 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-22 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 \$126,943,061 at the close of fiscal year September 30, 2013.

By far the largest portion of the City's net position (61%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

<b>Statement of Net Position as of September 30</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 33,354,799	\$ 35,435,421	\$ 53,529,853	\$ 20,713,723	\$ 86,884,652	\$ 56,149,144
Capital assets	44,526,440	42,940,653	45,583,816	37,461,374	90,110,256	80,402,027
Total assets	<u>77,881,239</u>	<u>78,376,074</u>	<u>99,113,669</u>	<u>58,175,097</u>	<u>176,994,908</u>	<u>136,551,171</u>
<b>Liabilities</b>						
Current and other liabilities	1,031,643	1,382,424	3,863,683	3,172,073	4,895,326	4,554,497
Long-term debt outstanding:						
Due within one year	207,723	205,616	19,014	18,564	226,737	224,180
Due in more than one year	1,400,146	1,430,811	43,280,971	6,914,371	44,681,117	8,345,182
Total liabilities	<u>2,639,512</u>	<u>3,018,851</u>	<u>47,163,668</u>	<u>10,105,008</u>	<u>49,803,180</u>	<u>13,123,859</u>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows of Resources	<u>200,222</u>	<u>191,783</u>	<u>48,445</u>	<u>36,307</u>	<u>248,667</u>	<u>228,090</u>
<b>Net Position</b>						
Net investment in capital assets	44,380,440	42,653,653	33,033,440	30,787,409	77,413,880	73,441,062
Restricted	12,423,712	12,896,516	8,244,803	2,986,956	20,668,515	15,883,472
Unrestricted	18,237,353	19,615,271	10,623,313	14,259,417	28,860,666	33,874,688
Total net position	<u>\$ 75,041,505</u>	<u>\$ 75,165,440</u>	<u>\$ 51,901,556</u>	<u>\$ 48,033,782</u>	<u>\$ 126,943,061</u>	<u>\$ 123,199,222</u>

An additional portion of the City's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$28,860,666) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Tarpon Springs is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. Total government net position increased by \$3,743,839 during the current fiscal year.

For more detailed information see the Statement of Net Position (page B-15).



## 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	
	2013	2012	2013	2012	2013	2012
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 3,295,837	\$ 2,957,408	\$ 19,383,458	\$ 18,244,659	\$ 22,679,295	\$ 21,202,067
Operating grants and contributions	632,434	604,223	13,469	44,988	645,903	649,211
Capital grants and contributions	1,103,109	160,702	2,259,507	2,116,009	3,362,616	2,276,711
General revenues:						
Property taxes	6,853,987	7,026,707	-	-	6,853,987	7,026,707
Property taxes-TIF County portion	115,714	121,924	-	-	115,714	121,924
Utility taxes	2,603,245	2,386,538	-	-	2,603,245	2,386,538
Communication service taxes	1,073,489	1,142,824	-	-	1,073,489	1,142,824
Sales, gas and other taxes	3,683,281	3,523,494	-	-	3,683,281	3,523,494
Franchise fees	1,612,675	1,653,880	-	-	1,612,675	1,653,880
State revenue sharing	662,791	656,534	-	-	662,791	656,534
Investment income	30,369	238,069	68,412	232,979	98,781	471,048
Miscellaneous	237,202	912,698	-	-	237,202	912,698
Total revenues	<u>21,904,133</u>	<u>21,385,001</u>	<u>21,724,846</u>	<u>20,638,635</u>	<u>43,628,979</u>	<u>42,023,636</u>
<b>EXPENSES</b>						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	2,927,360	2,789,491	-	-	2,927,360	2,789,491
Public safety	12,282,243	11,712,003	-	-	12,282,243	11,712,003
Physical environment	1,177,133	1,240,584	-	-	1,177,133	1,240,584
Transportation	2,200,491	2,116,119	-	-	2,200,491	2,116,119
Economic environment	466,831	365,584	-	-	466,831	365,584
Culture/recreation	3,901,603	3,899,214	-	-	3,901,603	3,899,214
Interest on long-term debt	8,114	12,542	-	-	8,114	12,542
Business-type Activities:						
Water/Sewer	-	-	11,139,707	9,348,746	11,139,707	9,348,746
Sanitation	-	-	3,705,989	3,701,551	3,705,989	3,701,551
Storm water	-	-	764,604	687,356	764,604	687,356
Golf Course	-	-	1,222,499	1,217,951	1,222,499	1,217,951
Marina	-	-	88,566	84,547	88,566	84,547
Total expenses	<u>22,963,775</u>	<u>22,135,537</u>	<u>16,921,365</u>	<u>15,040,151</u>	<u>39,885,140</u>	<u>37,175,688</u>
Increase (decrease) in Net Position before Transfers	<u>(1,059,642)</u>	<u>(750,536)</u>	<u>4,803,481</u>	<u>5,598,484</u>	<u>3,743,839</u>	<u>4,847,948</u>
Transfers	935,707	954,751	(935,707)	(954,751)	-	-
Increase (decrease) in Net Position	<u>(123,935)</u>	<u>204,215</u>	<u>3,867,774</u>	<u>4,643,733</u>	<u>3,743,839</u>	<u>4,847,948</u>
Net Position - Beginning of year	75,165,440	74,961,225	48,033,782	43,390,049	123,199,222	118,351,274
Net Position - End of year	<u>\$ 75,041,505</u>	<u>\$ 75,165,440</u>	<u>\$ 51,901,556</u>	<u>\$ 48,033,782</u>	<u>\$ 126,943,061</u>	<u>\$ 123,199,222</u>

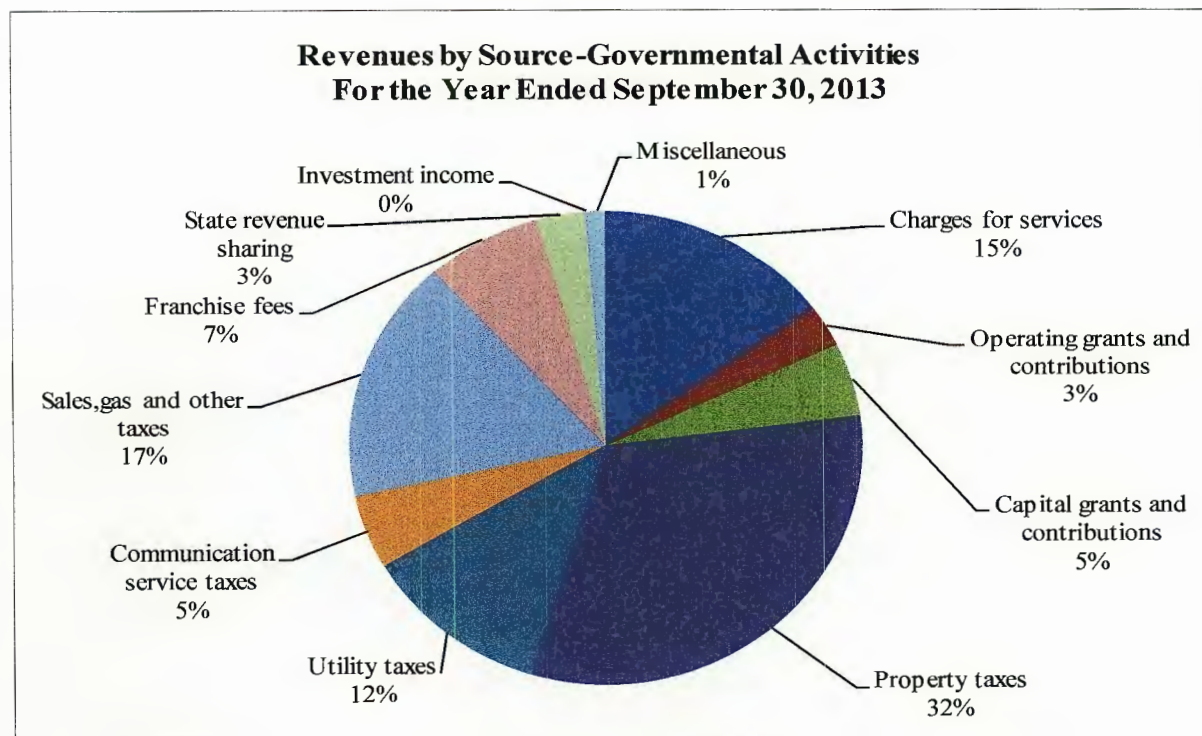
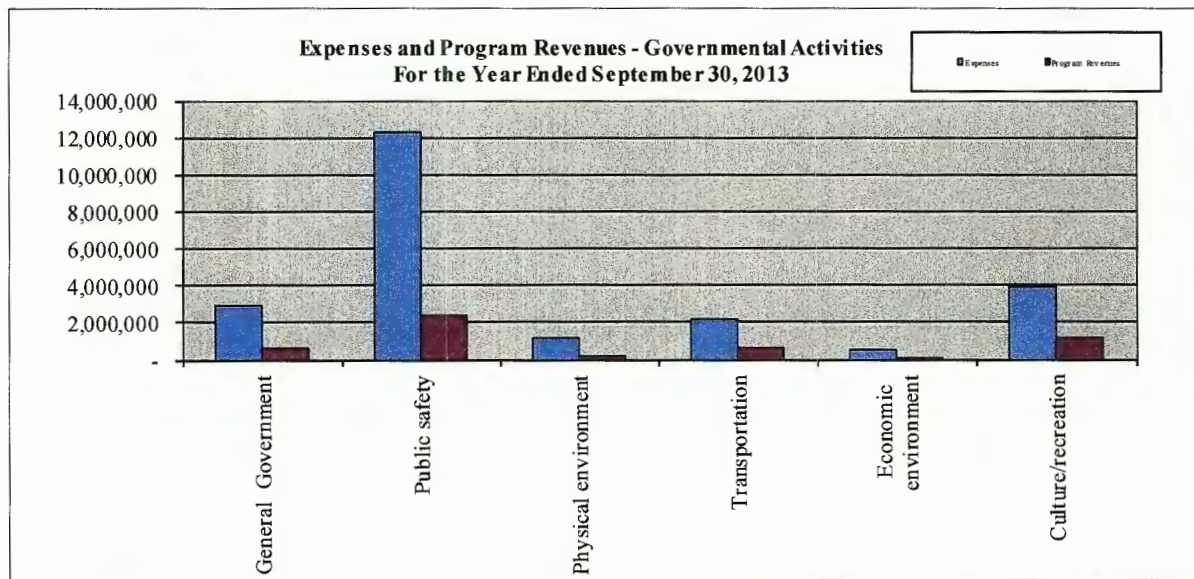
### Governmental activities.

Governmental activities decreased the City's net position by \$123,935 thereby accounting for a negative 3.31% of the total growth in the net position of the City. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

- Total Governmental activity revenues increased \$519,132 in comparison to the previous year. The major decreases were property taxes which decreased \$168,209 (not including delinquent fees and TIF County portion). The General Fund decreased \$155,956 and the CRA Fund decreased \$12,253. The decrease was due to the decline in property values. Communication Service Tax decreased \$34,840 (not including prior year audit adjustments received), and Franchise fees for electricity decreased \$43,184. Increases included Utility Taxes for electricity increased \$155,137, Infrastructure Sales Tax increased \$99,780, Half Cent Sales Tax increased \$55,789, and State Revenue Sharing Sales Tax proceeds increased \$6,257, Capital Grants increased with the

receipt of \$497,425 from Pinellas County for Bayou Shoreline Restoration and \$210,000 from a Federal Grant for the Retrofitting of lights at the Sports Complex.

- Total Governmental activity expenses increased \$828,238 in comparison to the previous year. The major increases were Police and Fire retirement expenses increased \$422,000.

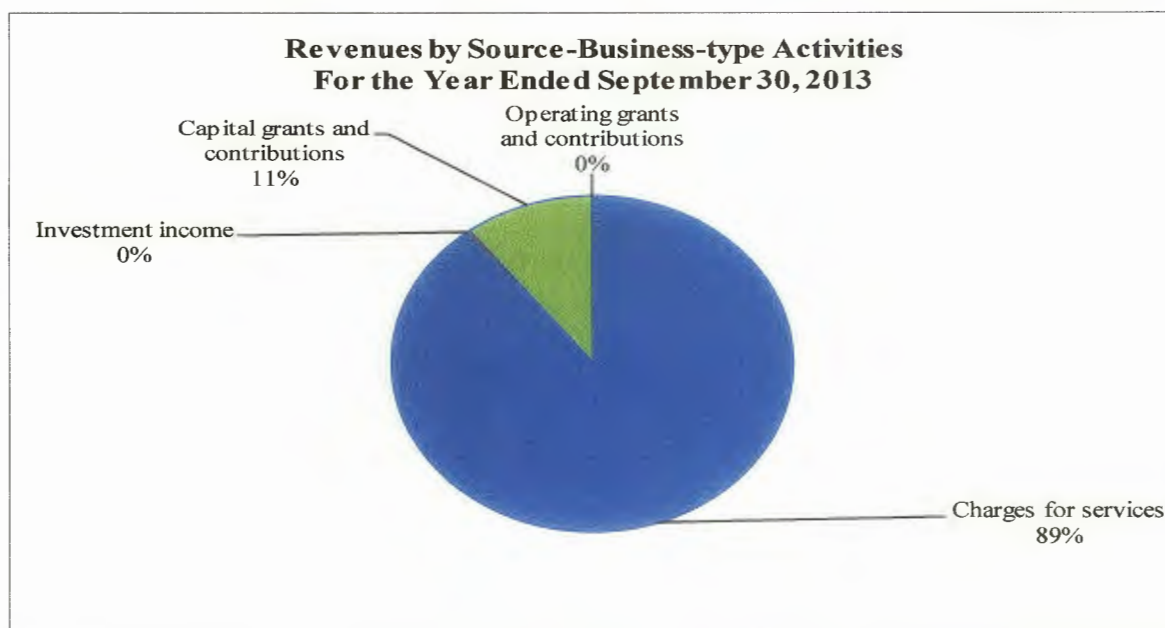
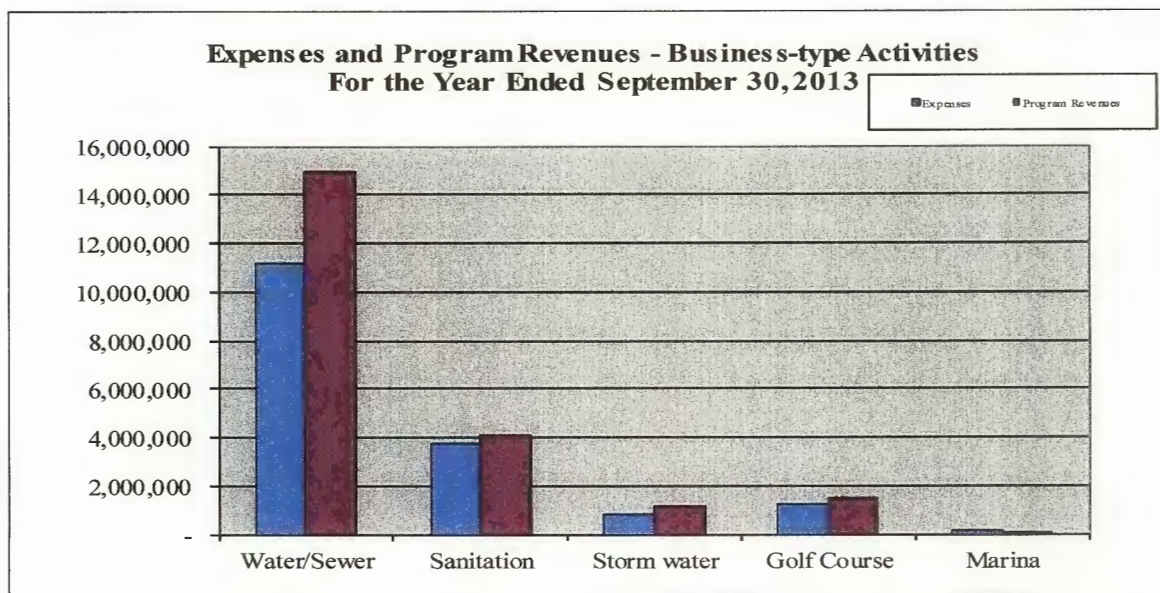




## Business-type activities.

Business-type activities (enterprise funds) increased the City's net position by \$3,867,774, accounting for 103.31% of the total growth in the governments net position. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

- Total Business-type activity revenues increased \$1,086,211 in comparison to the previous year. Sanitation fees increased \$111,875, recycling fees increased \$1,204. Water sales increased \$627,906 or 10.64% (10.00% rate increase), sewer sales increased \$210,452 or 4.28% (3% rate increase). SWFWMD (Southwest Florida Water Management District) grant funding for the Alternative Water Plant was received in the amount of \$1,752,450.
- Total Business-type activity expenses increased \$1,881,214 in comparison to the previous year. This increase is due to the wholesale water purchased from Pinellas County increasing \$888,274 due to meter adjustments by the County, bond issuance costs of \$488,213 on the Utility System Revenue Bond Series 2013A and note issuance cost on the Grant Anticipation Note Series 2013 in the amount of \$91,142.



## 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 \$28,877,040, a decrease of \$1,342,964 in comparison with the prior year. The majority of this total amount of \$9,148,808 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 (\$8,157,383), 2) committed for perpetual care of the cemetery (\$1,846,470), and 3) assigned for subsequent years expenditures (\$2,247,281).

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 \$9,178,148, while total fund balance was \$16,720,204. 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 46% of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$871,386 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 \$19,268,760 a decrease of \$247,718 under the previous fiscal year. A majority of the revenue sources experienced a decrease this year due to the economy. The following major revenue sources had decreases: Property Taxes \$155,956 (not including delinquent fees); Communication Service Tax \$34,840 (not including prior year audit adjustments received); Electric Franchise Fees \$43,184; Land Sales \$663,501 (So. Pinellas Ave. land sale in Fy 2012 for \$620,000) and Interest Earnings \$145,694. The following revenue sources experienced increases: Electric Utility Taxes \$155,137; Revenue Sharing \$6,257; and Half Cent Sales Tax \$55,789.
- Expenditures including Transfers Out totaled \$20,140,146 an increase of \$906,611 over the previous fiscal year. The major increases were Police and Fire retirement expenses increased \$422,000, Capital Outlay for Cemetery fence \$179,957 and Lowes Infrastructure \$142,021.

The fund balance of the City's Community Redevelopment Agency Fund increased by \$12,760 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$259,126 a decrease of \$13,503 under the previous fiscal year. Property Tax receipts (City portion) decreased \$12,253 and Tax Increment Financing receipts (County portion) decreased \$6,210 (due to decreasing property values).
- Expenditures were \$246,366, a decrease of \$89,038 under the previous fiscal year. The majority of the decrease is due to various road and streetscaping projects that were completed in the previous fiscal year.

The fund balance of the City's Optional Sales Tax Fund decreased by \$740,747 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$2,368,342 an increase of \$574,261 over the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$99,780 over the previous fiscal year, \$497,425 received from the County for Bayou Shoreline Restoration and Interest Earnings decreased \$22,943.

- Expenditures were \$3,109,089, an increase of \$2,124,552 over the previous fiscal year. Capital Outlay expenditures increased \$2,124,980, \$994,850 for Bayou Shoreline Restoration, \$391,787 for Craig Park Seawall, and \$384,704 for North Safford Construction

### **Proprietary Funds.**

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

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,747,746, and total growth in net position for the year was \$3,327,420, a decrease under the change noted in the previous fiscal year. This year water sales increased \$627,906 or 10.64% (10.00% rate increase), sewer sales increased \$210,452 or 4.28% (3% rate increase). Water and Sewer Impact Fees increased \$392,504 over the previous year. SWFWMD (Southwest Florida Water Management District) grant funding for the Alternative Water Plant was received in the amount of \$1,752,450. Operating expenses increased \$1,053,288, the wholesale water purchased from Pinellas County increasing \$888,274 due to meter adjustments by the County.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$3,162,820, and total growth in net position for the year was \$211,660, slightly more than the previous fiscal year. Fiscal Year 2013 was the second year of the five year contract with the City's garbage contractor. This year sanitation fees increased \$111,875, recycling fees increased \$1,204 and yard waste fees (not part of the garbage contract) decreased \$6,979. Operating expenses increased \$4,055. The City administration portion remained at 20% in order to cover the operational expenses.

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

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund was an increase of \$1,062,538. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$177,288 in the Police Department for salary increases and overtime.
- An increase of \$814,224 in Capital Outlay that was mostly due to items from FY 2012 that were carried forward into FY 2013 and for new Capital items that were not in the original budget, these include \$471,473 in building improvements related to the Energy Performance Contract with Ameresco and Safford reconstruction in the amount of \$134,645 from the Tree Bank.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$1,388,188. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$877,921 in Capital Outlay 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, 2013, amounts to \$90,110,256 (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 12.07% (\$9,708,229). Separately there was a 3.69% (\$1,585,787) increase for governmental activities and a 21.68% (\$8,122,442) increase for business-type activities.

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

- Lowes infrastructure improvements at a cost of \$142,021, funded by the Tree Bank in the General Fund.
- North Safford Reconstruction completed at a cost of \$848,955 (Fiscal Year 2013 expenditures of \$685,251), funded by the General Fund, CRA Fund and the Optional Sales Tax Fund.
- Cemetery Fence expenditures of \$179,957 incurred during the year, the project to be completed in FY 2014, funded by the Cemetery Perpetual Care Fund in the General Fund.
- Park Lighting Retrofit at the Sports Complex completed at a cost of \$210,000, funded by a Federal Energy Grant.
- Chesapeake Brick Street completed at a cost of \$753,592, (Fiscal Year 2013 expenditures of \$423,200), funded by Capital Project Fund, Optional Sales Tax Fund, Water and Sewer Fund and the Storm Water Fund.
- Nine police vehicles with accessories totaling \$283,277 were purchased during the fiscal year out of the Optional Sales Tax Fund.
- Bayou Shoreline Restoration expenditures of \$998,177 incurred during the year, the project to be completed in FY 2014, funded by the Optional Sales Tax Fund.
- Craig Park Seawall expenditures of \$391,787 incurred during the year, the project to be completed in FY 2014, funded by the Optional Sales Tax Fund.
- Sewer Treatment Plant Filter Rehabilitation completed at a cost of \$1,012,535 (Fiscal Year 2013 expenditures of \$734,529), funded by the Water and Sewer Fund.
- Sewer Vac-Con Truck purchased at a cost of \$240,974, funded by the Water and Sewer Fund.
- Walton Avenue Storm Water improvements completed at a cost of \$221,708 (Fiscal Year 2013 expenditures of \$59,338), funded by the Storm Water Fund.
- Ongoing expenses of \$752,926 during the fiscal year towards the rehabilitation of Seminole Lift Station, funded by the Water and Sewer Fund.
- Ongoing expenses of \$182,685 during the fiscal year for the Sewering of Lake Tarpon Phase II-A, funded by the Water and Sewer Impact Fund and the Water and Sewer Fund. This project will be completed in Fiscal Year 2014.
- Ongoing expenses of \$535,948 during the fiscal year towards the Tarpon/Disston Drainage improvements, funded by the Water and Sewer Fund and the Storm Water Fund.
- Ongoing expenses of \$522,304 during the fiscal year towards the South Portion of the North Safford Recreation Corridor, funded by the Recreation Impact Fund, Federal Grant Fund, Optional Sales Tax Fund and the Storm Water Fund.
- Ongoing expenses for the repair of the sewer line break on Safford Avenue, expenses through September 30, 2013 were \$252,138 with the estimated total cost of repair including roadway to be \$1,850,000.
- Ongoing expenses of \$4,511,459 during the fiscal year for the Alternative Water Plant, funded by the Water and Sewer Fund.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land and land rights	\$ 5,179,829	\$ 5,164,829	\$ 2,745,408	\$ 2,667,573	\$ 7,925,237	\$ 7,832,402
Buildings and improvements	7,415,441	7,847,137	1,208,735	769,513	8,624,176	8,616,650
Improvements other than buildings	4,310,013	4,052,134	24,487,260	22,719,644	28,797,273	26,771,778
Machinery and equipment	2,313,799	2,375,763	1,342,446	806,495	3,656,245	3,182,258
Infrastructure	21,283,067	21,233,868	-	-	21,283,067	21,233,868
Total	40,502,149	40,673,731	29,783,849	26,963,225	70,285,998	67,636,956
Construction in progress	4,024,291	2,266,922	15,799,967	10,498,149	19,824,258	12,765,071
Total	<u>\$ 44,526,440</u>	<u>\$ 42,940,653</u>	<u>\$ 45,583,816</u>	<u>\$ 37,461,374</u>	<u>\$ 90,110,256</u>	<u>\$ 80,402,027</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note III-C on Pages B-56 to B-57 of the notes.

**Change in Capital Assets**

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 42,940,653	\$ 37,461,374	\$ 80,402,027
Additions	2,673,229	4,628,328	7,301,557
Construction in progress	1,757,369	5,301,818	7,059,187
Retirements	(41,612)	-	(41,612)
Depreciation	<u>(2,803,199)</u>	<u>(1,807,704)</u>	<u>(4,610,903)</u>
Ending Balance	<u>\$ 44,526,440</u>	<u>\$ 45,583,816</u>	<u>\$ 90,110,256</u>

**Long-Term Debt**

At the end of the current fiscal year, the City had total debt outstanding of \$42,682,900 which comprises bonds and notes secured solely by specified revenue sources.

The City's total debt increased by \$35,721,935 (513%) during the current fiscal year. The City issued the Utility System Revenue Bonds, Series 2013A for \$35,795,000; the City issued Utility System Grant Anticipation Note, Series 2013 and had draws of \$7,562,117 and principal prepayments of \$820,217 for a principal balance of \$6,741,900; the Utility System Bond Anticipation Note, Series 2007A was refunded by the Utility System Revenue Bonds, Series 2013A.

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



### Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenue Note	\$ 146,000	\$ 287,000	\$ -	\$ -	\$ 146,000	\$ 287,000
Revenue Bond Anticipation Note	-	-	-	6,673,965	-	6,673,965
Utility Grant Anticipation Note	-	-	6,741,900	-	6,741,900	-
Utility Revenue Bonds	-	-	35,795,000	-	35,795,000	-
Total	<u>\$ 146,000</u>	<u>\$ 287,000</u>	<u>\$ 42,536,900</u>	<u>\$ 6,673,965</u>	<u>\$ 42,682,900</u>	<u>\$ 6,960,965</u>

On February 5, 2013, the Board of Commissioners awarded the bid for construction of the new Alternative Water Supply Project. Also approved on February 5, 2013 was Resolution 2013-06 which amended and restated the Master Utility System Bond Resolution; Resolution 2013-07 which provides for the issuance of not to exceed \$45,000,000 Utility System Revenue Bonds, Series 2013A, for the purpose of refunding the City's outstanding Utility System Revenue Bond Anticipation Note, Series 2007A, and to finance and/or reimburse the cost of the design, permitting, acquisition and construction of well sites, pipelines and a reverse osmosis water plant project, funding necessary reserves, and paying all related costs; and Resolution 2013-08 authorizing the issuance of a Utility System Grant Anticipation Note, Series 2013 in the aggregate principal amount of not to exceed \$18,530,000 to finance capital cost which are eligible for reimbursement under a Southwest Florida Water Management District Grant for the Reverse Osmosis Plant Project and to pay other related costs.

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

The Utility System Revenue Bonds, Series 2013A were priced and sold on February 20, 2013 with a par amount of \$35,795,000 and were closed on March 12, 2013. The Utility System Grant Anticipation Note, Series 2013 was also authorized for issuance on March 12, 2013 in an amount not to exceed \$18,006,960.

Additional information on the City's long-term debt can be found in Note III-F on pages B-61 to B-65 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 increased slightly in FY 2013. The number of building permits pulled has remained constant over the previous fiscal year. Property values are remaining stable in the City or increasing slightly.

### 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, 2013**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,668,030	\$ 6,838,113	\$ 17,506,143
Investments	20,036,013	6,418,120	26,454,133
Receivables (net of allowance)	795,970	1,841,472	2,637,442
Due from other governments	883,035	-	883,035
Internal balances	413,991	(413,991)	-
Inventories	50,308	220,718	271,026
Prepaid items	168,122	76,124	244,246
Net pension asset	339,330	-	339,330
Restricted assets:			
Cash and cash equivalents	-	14,943,854	14,943,854
Investments	-	22,740,688	22,740,688
Receivables	-	59,327	59,327
Due from other governments	-	805,428	805,428
Capital Assets:			
Land and land rights	5,179,829	2,745,408	7,925,237
Buildings and improvements	18,303,210	1,451,613	19,754,823
Improvements other than buildings	8,202,364	51,738,887	59,941,251
Machinery and equipment	9,264,606	5,020,508	14,285,114
Infrastructure	42,769,256	-	42,769,256
Construction in progress	4,024,291	15,799,967	19,824,258
Accumulated depreciation	(43,217,116)	(31,172,567)	(74,389,683)
Total Assets	77,881,239	99,113,669	176,994,908
<b>LIABILITIES</b>			
Accounts payable	558,937	1,044,029	1,602,966
Accrued liabilities	153,399	42,365	195,764
Contracts payable	-	671,050	671,050
Deposits	16,020	-	16,020
Unavailable revenue	303,287	6,124	309,411
Payable from restricted assets:			
Accounts payable	-	601,706	601,706
Customer deposits	-	1,498,409	1,498,409
Non Current Liabilities			
Due Within One Year:			
Revenue note payable	146,000	-	146,000
Compensated absences	51,909	19,014	70,923
Claims payable	9,814	-	9,814
Due In More Than One Year:			
Bonds payable	-	35,795,000	35,795,000
Note payable	-	6,741,900	6,741,900
Other postemployment benefits	157,988	73,613	231,601
Unamortized bond premium	-	460,249	460,249
Compensated absences	1,080,905	210,209	1,291,114
Claims payable	161,253	-	161,253
Total Liabilities	2,639,512	47,163,668	49,803,180
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Local business tax-future year	189,204	-	189,204
Mausoleum revenue-future year	11,018	-	11,018
Sewer impacts/connections-future year	-	48,445	48,445
Total Deferred Inflows of Resources	200,222	48,445	248,667
<b>NET POSITION</b>			
Net investment in capital assets	44,380,440	33,033,440	77,413,880
Restricted for :			
Capital projects - optional sales tax	6,634,682	-	6,634,682
Capital projects - impact fee programs	1,826,757	2,633,412	4,460,169
Transportation	738,049	-	738,049
CRA	90,156	-	90,156
Law enforcement programs	307,916	-	307,916
Grant programs	56,908	-	56,908
Special programs	100,151	-	100,151
Other contractual obligations	469,093	2,109,691	2,578,784
Loan receivable	200,000	-	200,000
Street and sidewalk principal, nonexpendable	2,000,000	-	2,000,000
Bond debt service	-	627,456	627,456
Bond reserve	-	2,525,450	2,525,450
Bond renewal and replacement	-	348,794	348,794
Unrestricted	18,237,353	10,623,313	28,860,666
Total Net Position	\$ 75,041,505	\$ 51,901,556	\$ 126,943,061

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, 2013**

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 2,927,360	\$ 630,026	\$ -	\$ 18,426	\$ (2,278,908)	\$ -	\$ (2,278,908)
Public safety	12,282,243	2,109,951	153,190	99,208	(9,919,894)	-	(9,919,894)
Physical environment	1,177,133	177,515	18,278	-	(981,340)	-	(981,340)
Transportation	2,200,491	-	43,443	603,430	(1,553,618)	-	(1,553,618)
Economic environment	466,831	-	2,408	-	(464,423)	-	(464,423)
Culture/recreation	3,901,603	378,345	415,115	382,045	(2,726,098)	-	(2,726,098)
Interest on long-term debt	8,114	-	-	-	(8,114)	-	(8,114)
Total governmental activities	<u>22,963,775</u>	<u>3,295,837</u>	<u>632,434</u>	<u>1,103,109</u>	<u>(17,932,395)</u>	<u>-</u>	<u>(17,932,395)</u>
Business-Type Activities:							
Water/Sewer	11,139,707	12,656,837	2,251	2,259,507	-	3,778,888	3,778,888
Sanitation	3,705,989	4,108,504	-	-	-	402,515	402,515
Storm Water	764,604	1,112,834	11,218	-	-	359,448	359,448
Golf Course	1,222,499	1,454,599	-	-	-	232,100	232,100
Marina	88,566	50,684	-	-	-	(37,882)	(37,882)
Total business-type activities	<u>16,921,365</u>	<u>19,383,458</u>	<u>13,469</u>	<u>2,259,507</u>	<u>-</u>	<u>4,735,069</u>	<u>4,735,069</u>
<b>Total primary government</b>	<u>\$ 39,885,140</u>	<u>\$ 22,679,295</u>	<u>\$ 645,903</u>	<u>\$ 3,362,616</u>	<u>(17,932,395)</u>	<u>4,735,069</u>	<u>(13,197,326)</u>
General Revenues:							
Taxes:							
Property taxes					6,853,987	-	6,853,987
Property taxes -Tax Increment							
Financing (TIF) - County portion					115,714	-	115,714
Utility taxes					2,603,245	-	2,603,245
Communication service taxes					1,073,489	-	1,073,489
Half-cent sales tax					1,292,192	-	1,292,192
Local option gas tax					301,086	-	301,086
Local option sales tax					1,862,505	-	1,862,505
Local business tax					172,804	-	172,804
Other taxes					54,694	-	54,694
Franchise fees					1,612,675	-	1,612,675
State revenue sharing					662,791	-	662,791
Investment income					30,369	68,412	98,781
Miscellaneous					237,202	-	237,202
Transfers					935,707	(935,707)	-
Total General Revenues					<u>17,808,460</u>	<u>(867,295)</u>	<u>16,941,165</u>
Change in Net Position					(123,935)	3,867,774	3,743,839
Net Position - Beginning					75,165,440	48,033,782	123,199,222
Net Position - Ending					<u>\$ 75,041,505</u>	<u>\$ 51,901,556</u>	<u>\$ 126,943,061</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, 2013**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,061,535	\$ 658,620	\$ 1,826,682	\$ 1,757,157	\$ 10,303,994
Investments	9,725,387	500,000	3,574,575	3,688,411	17,488,373
Accounts receivable - net of allowance for doubtful accounts	324,117	-	-	-	324,117
Taxes receivable	450,210	-	-	-	450,210
Due from other funds (deficit in pooled cash)	600,221	-	-	-	600,221
Due from other governments	320,178	-	312,207	250,650	883,035
Advance to other fund	-	-	1,042,105	-	1,042,105
Prepaid items	164,905	419	-	65	165,389
Inventories	13,317	-	-	-	13,317
Total Assets	<u>\$ 17,659,870</u>	<u>\$ 1,159,039</u>	<u>\$ 6,755,569</u>	<u>\$ 5,696,283</u>	<u>\$ 31,270,761</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 285,005	\$ 20,309	\$ 120,887	\$ 76,333	\$ 502,534
Accrued liabilities	146,064	3,469	-	1,722	151,255
Contracts payable	-	-	-	-	-
Due to other fund (deficit in pooled cash)	-	-	-	186,230	186,230
Deposits	13,020	3,000	-	-	16,020
Advance from other fund	-	1,042,105	-	-	1,042,105
Unavailable revenue	295,355	-	-	-	295,355
Total Liabilities	<u>739,444</u>	<u>1,068,883</u>	<u>120,887</u>	<u>264,285</u>	<u>2,193,499</u>
<b>Deferred Inflows of Resources:</b>					
Local business tax-future year	189,204	-	-	-	189,204
Mausoleum revenue-future year	11,018	-	-	-	11,018
Total Deferred Inflows of Resources	<u>200,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,222</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventory	13,317	-	-	-	13,317
Prepaid items	164,905	419	-	65	165,389
Advance to other fund	-	-	1,042,105	-	1,042,105
Loan receivable	200,000	-	-	-	200,000
Street and sidewalk principal, nonexpendable	-	-	-	2,000,000	2,000,000
<b>Restricted for:</b>					
Donations received	251,147	-	-	-	251,147
Capital projects - impact fee programs	-	-	-	1,826,757	1,826,757
CRA	-	89,737	-	-	89,737
Capital projects - optional sales tax	-	-	5,592,577	-	5,592,577
Transportation	-	-	-	738,049	738,049
Law enforcement programs	-	-	-	307,916	307,916
Library	-	-	-	73,991	73,991
Public art program	-	-	-	26,095	26,095
Physical environment	-	-	-	56,908	56,908
<b>Committed to:</b>					
Cemetery	1,846,470	-	-	-	1,846,470
Tree bank	249,433	-	-	-	249,433
Employee benefit cost deferral	-	-	-	431,557	431,557
<b>Assigned to:</b>					
Compensated absences	1,106,665	-	-	-	1,106,665
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	2,247,281	-	-	-	2,247,281
Insurance	470,905	-	-	-	470,905
City building improvements	123,824	-	-	-	123,824
Other contractual obligations	818,109	-	-	-	818,109
Unassigned:	<u>9,178,148</u>	<u>-</u>	<u>-</u>	<u>(29,340)</u>	<u>9,148,808</u>
Total Fund Balances	<u>16,720,204</u>	<u>90,156</u>	<u>6,634,682</u>	<u>5,431,998</u>	<u>28,877,040</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,659,870</u>	<u>\$ 1,159,039</u>	<u>\$ 6,755,569</u>	<u>\$ 5,696,283</u>	<u>\$ 31,270,761</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, 2013**

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Fund balances - total governmental funds \$ 28,877,040

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	\$ 87,421,110	
Less accumulated depreciation	<u>(43,070,201)</u>	44,350,909

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

Revenue note payable	(146,000)	
Compensated absences	(1,118,884)	
Other postemployment benefits	<u>(152,238)</u>	(1,417,122)

The net pension asset related to governmental activities does not represent financial resources and is not reported in the funds.		339,330
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Interest revenues are not recognized in the current period because the resources are not available, therefore, are not reported in the funds.		20,081
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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.

2,871,267

Net position of governmental activities.	\$ <u><u>75,041,505</u></u>
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**CITY OF TARPON SPRINGS, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 10,579,838	\$ 123,687	\$ 1,862,505	\$ 301,086	\$ 12,867,116
Permits and fees	1,979,535	-	-	367,184	2,346,719
Intergovernmental	2,159,356	115,714	497,425	636,193	3,408,688
Charges for services	2,179,396	-	-	-	2,179,396
Fines and forfeitures	191,364	-	-	20,099	211,463
Other	828,659	19,725	8,412	16,310	873,106
Total Revenues	17,918,148	259,126	2,368,342	1,340,872	21,886,488
<b>Expenditures:</b>					
<b>Current:</b>					
General Government:					
Board of commissioners	121,596	-	-	-	121,596
City manager	278,154	-	-	-	278,154
Financial administration	451,765	-	-	-	451,765
Human resources	196,125	-	-	-	196,125
Purchasing	185,209	-	-	-	185,209
Management information services	303,996	-	-	-	303,996
City attorney	148,888	-	-	-	148,888
Planning	200,145	-	-	-	200,145
City clerk	271,996	-	-	-	271,996
Non-departmental	486,195	-	-	-	486,195
	2,644,069	-	-	-	2,644,069
Public Safety:					
Police	6,460,509	-	-	123,834	6,584,343
Fire/ems/emergency management	4,353,281	-	-	-	4,353,281
Protective inspections	464,127	-	-	-	464,127
	11,277,917	-	-	123,834	11,401,751
Physical Environment:					
City engineering	281,523	-	-	-	281,523
City buildings/grounds	530,525	-	-	-	530,525
Cemetery	229,925	-	-	-	229,925
Other	28,981	-	-	4,324	33,305
	1,070,954	-	-	4,324	1,075,278
Transportation:					
Roads and streets	1,039,533	-	-	-	1,039,533
	1,039,533	-	-	-	1,039,533
Economic Environment:					
Other	107,884	168,835	-	-	276,719
	107,884	168,835	-	-	276,719
Culture and Recreation:					
Library	913,911	-	-	-	913,911
Parks and recreation	1,430,267	-	-	-	1,430,267
Cultural	837,246	-	-	-	837,246
Other	-	-	-	268,340	268,340
	3,181,424	-	-	268,340	3,449,764
Capital Outlay	807,611	77,531	2,959,975	499,482	4,344,599
Debt Service	-	-	149,114	-	149,114
Total Expenditures	20,129,392	246,366	3,109,089	895,980	24,380,827
Excess of Revenues Over (Under) Expenditures	(2,211,244)	12,760	(740,747)	444,892	(2,494,339)
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,350,612	-	-	217,517	1,568,129
Transfers out	(10,754)	-	-	(406,000)	(416,754)
Total Other Financing Sources (Uses)	1,339,858	-	-	(188,483)	1,151,375
Net Change in Fund Balances	(871,386)	12,760	(740,747)	256,409	(1,342,964)
Fund Balances - Beginning of Year	17,591,590	77,396	7,375,429	5,175,589	30,220,004
Fund Balances - End of Year	\$ 16,720,204	\$ 90,156	\$ 6,634,682	\$ 5,431,998	\$ 28,877,040

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, 2013**

Net change in fund balances - total governmental funds		\$ (1,342,964)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 4,344,599	
Less current year depreciation	<u>(2,783,009)</u>	1,561,590
Governmental capital assets donated to the city are not current financial resources and therefore are not reported as revenues in the governmental funds.		7,000
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.		(41,612)
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:		
Revenue note principal payments		141,000
Net pension asset is not a current financial resource and consequently is not reported in the funds. However it is an asset in the statement of net position.		
Current year change in the net pension asset		(15,484)
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		(32,319)
Revenues which do not provide current financial resources and are not reported in the governmental funds.		
Current year change in accrued interest		2,904
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Current year change in compensated absences		(70,004)
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>(334,046)</u>
Change in net position of governmental activities.		<u>\$ (123,935)</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 10,244,239	\$ 10,375,501	\$ 10,579,838	\$ 204,337
Permits and fees	1,795,550	1,795,550	1,979,535	183,985
Intergovernmental	1,979,593	1,979,593	2,159,356	179,763
Charges for services	2,043,609	2,043,609	2,179,396	135,787
Fines and forfeitures	160,300	160,300	191,364	31,064
Other	812,858	812,858	828,659	15,801
Total Revenues	17,036,149	17,167,411	17,918,148	750,737
<b>Expenditures:</b>				
Current:				
General Government:				
Board of commissioners	129,240	130,542	121,596	8,946
City manager	272,560	278,155	278,154	1
Financial administration	449,290	479,480	451,765	27,715
Human resources	250,499	257,233	196,125	61,108
Purchasing	203,909	204,009	185,209	18,800
Management information services	274,401	307,556	303,996	3,560
City attorney	163,627	163,627	148,888	14,739
Planning	201,512	201,512	200,145	1,367
City clerk	275,146	271,997	271,996	1
Non-departmental	489,145	516,968	486,195	30,773
	2,709,329	2,811,079	2,644,069	167,010
Public Safety:				
Police	6,301,048	6,478,336	6,460,509	17,827
Fire/ems/emergency management	4,439,066	4,434,745	4,353,281	81,464
Protective inspections	482,022	487,684	464,127	23,557
	11,222,136	11,400,765	11,277,917	122,848
Physical Environment:				
City engineering	319,576	284,376	281,523	2,853
City buildings/grounds	539,573	541,935	530,525	11,410
Cemetery	260,949	265,519	229,925	35,594
Tree bank	75,000	75,000	28,981	46,019
	1,195,098	1,166,830	1,070,954	95,876
Transportation:				
Roads and streets	1,126,654	1,061,704	1,039,533	22,171
Economic Environment:				
Economic development	103,671	107,884	107,884	-
Culture and Recreation:				
Library	935,536	936,219	913,911	22,308
Parks and recreation	1,497,858	1,495,628	1,430,267	65,361
Cultural	793,452	851,939	837,246	14,693
	3,226,846	3,283,786	3,181,424	102,362
Capital Outlay	871,308	1,685,532	807,611	877,921
Total Expenditures	20,455,042	21,517,580	20,129,392	1,388,188
Excess of Revenues Over (Under) Expenditures	(3,418,893)	(4,350,169)	(2,211,244)	2,138,925
Other Financing Sources (Uses):				
Issuance of debt	-	601,078	-	(601,078)
Transfers in	1,350,612	1,350,612	1,350,612	-
Transfers out	(10,000)	(10,000)	(10,754)	(754)
Total Other Financing Sources (Uses)	1,340,612	1,941,690	1,339,858	(601,832)
Net Change in Fund Balances	(2,078,281)	(2,408,479)	(871,386)	1,537,093
Fund Balances - Beginning of Year	17,591,590	17,591,590	17,591,590	-
Fund Balances - End of Year	\$ 15,513,309	\$ 15,183,111	\$ 16,720,204	\$ 1,537,093

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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 126,080	\$ 126,080	\$ 123,687	\$ (2,393)
Intergovernmental	117,131	117,131	115,714	(1,417)
Other	3,500	3,500	19,725	16,225
Total Revenues	<u>246,711</u>	<u>246,711</u>	<u>259,126</u>	<u>12,415</u>
<b>Expenditures:</b>				
Current:				
Economic Environment:				
Other	253,761	253,761	168,835	84,926
Capital Outlay	<u>165,480</u>	<u>313,209</u>	<u>77,531</u>	<u>235,678</u>
Total Expenditures	<u>419,241</u>	<u>566,970</u>	<u>246,366</u>	<u>320,604</u>
Net Change in Fund Balances	(172,530)	(320,259)	12,760	333,019
Fund Balances - Beginning of Year	<u>77,396</u>	<u>77,396</u>	<u>77,396</u>	-
Fund Balances - End of Year	<u>\$ (95,134)</u>	<u>\$ (242,863)</u>	<u>\$ 90,156</u>	<u>\$ 333,019</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, 2013**

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds			Total	
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,611,668	\$ 4,435,328	\$ 791,117	\$ 6,838,113	\$ 364,036
Investments	1,594,834	3,176,003	1,647,283	6,418,120	2,547,640
Receivables:					
Interest	1,541	1,370	1,524	4,435	1,562
Accounts - billed (net)	314,809	856,717	104,598	1,276,124	-
Accounts - unbilled	123,986	398,209	38,718	560,913	-
Advance to other fund	214,987	-	-	214,987	-
Inventories	-	194,223	26,495	220,718	36,991
Prepaid items	8,237	54,672	13,215	76,124	2,733
Restricted cash and cash equivalents:					
Customer deposits	481,587	1,014,577	-	1,496,164	-
Total Current Assets	4,351,649	10,131,099	2,622,950	17,105,698	2,952,962
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	2,700,154	-	2,700,154	-
Debt service fund	-	627,456	-	627,456	-
Reserve fund	-	2,525,450	-	2,525,450	-
Renewal and replacement fund	-	348,794	-	348,794	-
Construction fund	-	7,245,836	-	7,245,836	-
Investments - Construction fund	-	22,740,688	-	22,740,688	-
Receivables:					
Accrued interest	-	21,337	-	21,337	-
Accounts receivable - billed (net)	-	37,990	-	37,990	-
Due from other governments	-	805,428	-	805,428	-
Capital Assets:					
Land and land rights	421,435	2,194,382	129,591	2,745,408	-
Buildings and improvements	9,494	943,946	498,173	1,451,613	44,756
Improvements other than buildings	93,074	48,382,033	3,263,780	51,738,887	150,423
Machinery and equipment	355,188	3,272,691	1,392,629	5,020,508	84,191
Accumulated depreciation	(350,204)	(28,562,314)	(2,260,049)	(31,172,567)	(146,915)
Construction in progress	-	14,627,982	1,171,985	15,799,967	43,076
Total Non-Current Assets	528,987	77,911,853	4,196,109	82,636,949	175,531
Total Assets	4,880,636	88,042,952	6,819,059	99,742,647	3,128,493
LIABILITIES					
Current Liabilities:					
Accounts payable	41,684	828,155	174,190	1,044,029	56,403
Accrued liabilities	3,181	33,160	6,024	42,365	2,144
Contracts payable	414,481	256,569	-	671,050	-
Due to other fund (deficit in pooled cash)	-	-	413,991	413,991	-
Advance from other fund	-	-	214,987	214,987	-
Claims payable	-	-	-	-	9,814
Compensated absences	784	17,131	1,099	19,014	2,393
Unavailable revenue	-	-	6,124	6,124	7,932
Current Liabilities (payable from restricted assets):					
Accounts payable	-	601,706	-	601,706	-
Customer deposits	481,587	1,014,577	2,245	1,498,409	-
Total Current Liabilities	941,717	2,751,298	818,660	4,511,675	78,686
Non-Current Liabilities:					
Bonds payable	-	35,795,000	-	35,795,000	-
Note payable	-	6,741,900	-	6,741,900	-
Claims payable	-	-	-	-	161,253
Other postemployment benefits	8,085	52,531	12,997	73,613	5,750
Unamortized bond premium	-	460,249	-	460,249	-
Compensated absences	15,803	155,570	38,836	210,209	11,537
Total Non-Current Liabilities	23,888	43,205,250	51,833	43,280,971	178,540
Total Liabilities	965,605	45,956,548	870,493	47,792,646	257,226
DEFERRED INFLOWS OF RESOURCES					
Sewer impacts/connections-future year	-	48,445	-	48,445	-
Total Deferred Inflows of Resources	-	48,445	-	48,445	-
NET POSITION					
Net investment in capital assets	528,987	28,308,344	4,196,109	33,033,440	175,531
Restricted for:					
Revenue bond debt service requirements	-	627,456	-	627,456	-
Revenue bond reserve requirements	-	2,525,450	-	2,525,450	-
Revenue bond renewal and replacement requirements	-	348,794	-	348,794	-
Capital projects - impact fee program	-	2,633,412	-	2,633,412	-
Other contractual obligations	223,224	1,846,757	39,710	2,109,691	39,724
Unrestricted	3,162,820	5,747,746	1,712,747	10,623,313	2,656,012
Total Net Position	\$ 3,915,031	\$ 42,037,959	\$ 5,948,566	\$ 51,901,556	\$ 2,871,267

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, 2013**

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Operating Revenues:					
Charges for services	\$ 4,098,109	\$ 12,475,970	\$ 2,561,881	\$ 19,135,960	\$ 1,479,562
Other	2,981	172,632	15,272	190,885	975
Total Operating Revenues	4,101,090	12,648,602	2,577,153	19,326,845	1,480,537
Operating Expenses:					
Personnel services	365,530	3,257,568	666,693	4,289,791	236,775
Contractual services	3,243,937	3,748,773	778,664	7,771,374	10,288
Supplies	34,009	686,587	257,179	977,775	483,150
Repairs and maintenance	33,712	563,690	86,181	683,583	291,935
Utilities	4,154	506,918	75,120	586,192	468
Claims	-	-	-	-	122,870
Insurance	-	-	-	-	440,980
Depreciation	23,059	1,577,770	206,875	1,807,704	20,190
Total Operating Expenses	3,704,401	10,341,306	2,070,712	16,116,419	1,606,656
Operating Income (Loss)	396,689	2,307,296	506,441	3,210,426	(126,119)
Non-Operating Revenues (Expenses):					
Investment income	5,162	31,069	8,787	45,018	11,777
Net change in fair value of investments	(5,540)	32,064	(3,130)	23,394	(4,036)
Intergovernmental grants	-	2,251	11,218	13,469	-
Interest expense	(1,588)	(206,093)	-	(207,681)	-
Bond and note issuance costs	-	(579,355)	-	(579,355)	-
Amortization of bond premium	-	8,235	-	8,235	-
Other	7,414	(12,953)	36,007	30,468	-
Total Non-Operating Revenues (Expenses)	5,448	(724,782)	52,882	(666,452)	7,741
Income (Loss) before Contributions and Transfers	402,137	1,582,514	559,323	2,543,974	(118,378)
Capital grants and contributions	-	2,259,507	-	2,259,507	-
Transfers in	10,923	47,641	12,775	71,339	2,606
Transfers out	(201,400)	(562,242)	(243,404)	(1,007,046)	(218,274)
	(190,477)	1,744,906	(230,629)	1,323,800	(215,668)
Change in Net Position	211,660	3,327,420	328,694	3,867,774	(334,046)
Net Position - Beginning of Year	3,703,371	38,710,539	5,619,872	48,033,782	3,205,313
Net Position - End of Year	\$ 3,915,031	\$ 42,037,959	\$ 5,948,566	\$ 51,901,556	\$ 2,871,267

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, 2013**

	Business-type Activities Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 4,073,571	\$ 12,026,205	\$ 2,584,020	\$ 18,683,796	\$ -
Cash payments to suppliers	(3,259,332)	(4,846,920)	(1,242,692)	(9,348,944)	(1,300,986)
Cash payments to employees	(362,015)	(3,208,715)	(659,998)	(4,230,728)	(232,837)
Cash received from other funds	-	-	-	-	1,488,890
Other	7,414	(12,953)	36,007	30,468	-
Net cash provided (used) by operating activities	459,638	3,957,617	717,337	5,134,592	(44,933)
Cash flows from noncapital financing activities:					
Transfers in	10,923	47,641	12,775	71,339	2,606
Transfers out	(201,400)	(562,242)	(243,404)	(1,007,046)	(218,274)
Intergovernmental grants	-	2,251	11,218	13,469	-
Interest paid	(1,588)	(3,294)	-	(4,882)	-
Advance to other fund	86,652	-	-	86,652	-
Advance from other fund	-	-	(86,652)	(86,652)	-
Payment of cash on loans to/from other funds	-	-	(53,164)	(53,164)	-
Net cash used by noncapital financing activities	(105,413)	(515,644)	(359,227)	(980,284)	(215,668)
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(7,494,182)	-	(7,494,182)	-
Interest payments on debt	-	(202,799)	-	(202,799)	-
Proceeds from issuance of debt	-	43,357,117	-	43,357,117	-
Proceeds from original issue premium	-	468,484	-	468,484	-
Bond and note issuance costs	-	(579,355)	-	(579,355)	-
Acquisition and construction of capital assets	(22,412)	(8,301,710)	(1,606,024)	(9,930,146)	(78,999)
Contributed capital from other governmental entities	-	1,759,123	-	1,759,123	-
Contributed capital - impact fees	-	500,384	-	500,384	-
Net cash provided (used) for capital and related financing activities	(22,412)	29,507,062	(1,606,024)	27,878,626	(78,999)
Cash flows from investing activities:					
Interest on investments	5,162	31,069	8,787	45,018	11,777
Proceeds of investment sales & maturities	1,600,000	4,974,391	1,900,000	8,474,391	1,050,000
Purchase of investments	(2,100,000)	(27,427,343)	(1,650,000)	(31,177,343)	(1,050,000)
Net cash provided (used) by investing activities	(494,838)	(22,421,883)	258,787	(22,657,934)	11,777
Net increase (decrease) in cash and cash equivalents	(163,025)	10,527,152	(989,127)	9,375,000	(327,823)
Cash and cash equivalents at beginning of year	2,256,280	8,370,443	1,780,244	12,406,967	691,859
Cash and cash equivalents at end of year	\$ 2,093,255	\$ 18,897,595	\$ 791,117	\$ 21,781,967	\$ 364,036
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 1,611,668	\$ 4,435,328	\$ 791,117	\$ 6,838,113	\$ 364,036
Restricted cash and cash equivalents - current:					
Customer deposits	481,587	1,014,577	-	1,496,164	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	2,700,154	-	2,700,154	-
Debt service fund	-	627,456	-	627,456	-
Reserve fund	-	2,525,450	-	2,525,450	-
Renewal and replacement fund	-	348,794	-	348,794	-
Construction fund	-	7,245,836	-	7,245,836	-
	\$ 2,093,255	\$ 18,897,595	\$ 791,117	\$ 21,781,967	\$ 364,036

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, 2013**

	Business-type Activities Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 396,689	\$ 2,307,296	\$ 506,441	\$ 3,210,426	\$ (126,119)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	7,414	(12,953)	36,007	30,468	-
Depreciation expense	23,059	1,577,770	206,875	1,807,704	20,190
Change in assets and liabilities:					
(Increase) decrease in accounts receivable - interest	(429)	(16,058)	(345)	(16,832)	421
(Increase) decrease in accounts receivable - billed (net)	(29,794)	2,341	3,179	(24,274)	-
Decrease in unbilled accounts receivable	2,704	15,162	1,767	19,633	-
Increase in due from other governments	-	(635,980)	-	(635,980)	-
(Increase) decrease in inventories	-	(18,810)	373	(18,437)	8,773
(Increase) decrease in prepaid items	(1,110)	16,530	(1,150)	14,270	4,721
Increase (decrease) in accounts and contracts payable	20,673	630,988	(45,576)	606,085	28,272
Increase in accrued liabilities	1,023	12,352	1,822	15,197	758
Increase in claims payable	-	-	-	-	6,939
Increase in unavailable revenue	-	-	2,266	2,266	7,932
Increase in customer deposits	36,917	30,340	805	68,062	-
Increase in other postemployment benefits	2,990	14,823	3,715	21,528	1,754
Increase (decrease) in compensated absences	(498)	21,678	1,158	22,338	1,426
Increase in deferred inflows of resources	-	12,138	-	12,138	-
Total adjustments	62,949	1,650,321	210,896	1,924,166	81,186
Net cash provided (used) by operating activities	\$ 459,638	\$ 3,957,617	\$ 717,337	\$ 5,134,592	\$ (44,933)

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, 2013**

	Employee Retirement Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,746,605	\$ 152,867
Accounts receivable	169,063	-
Interest receivable	112,963	-
Prepaid items	2,885	-
Investments, at fair value:		
U.S. Government Securities	5,603,245	-
Equities Common Stock	22,171,402	-
Mutual Funds	10,639,277	-
Corporate Bonds	7,137,443	-
Real Estate	1,563,589	-
Total Investments	<u>47,114,956</u>	<u>-</u>
Total Assets	<u>49,146,472</u>	<u>152,867</u>
<b>Liabilities</b>		
Accounts payable	227,217	-
Due to other governments	-	152,867
Total Liabilities	<u>227,217</u>	<u>152,867</u>
<b>Net Position</b>		
Held in Trust for Pension Benefits	\$ <u>48,919,255</u>	\$ <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, 2013**

	<u>Employee Retirement Funds</u>
<b>Additions:</b>	
<b>Contributions:</b>	
Employer	\$ 1,902,769
Plan members	577,248
State of Florida	449,674
<b>Total Contributions</b>	<u>2,929,691</u>
<b>Investment Income:</b>	
Net increase in fair value of investments (realized and unrealized)	4,422,423
Interest	482,817
Dividends	456,222
	<u>5,361,462</u>
<b>Less Investment Expenses:</b>	
Investment management fees	184,292
	<u>184,292</u>
<b>Net Investment Income</b>	<u>5,177,170</u>
<b>Total Additions</b>	<u>8,106,861</u>
<b>Deductions:</b>	
Benefits	2,695,259
Refunds of contributions	75,102
Administrative expense	114,486
<b>Total Deductions</b>	<u>2,884,847</u>
<b>Change in Net Position</b>	5,222,014
<b>Net Position - Beginning of Year</b>	<u>43,697,241</u>
<b>Net Position - End of Year</b>	<u><u>\$ 48,919,255</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, 2013

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

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

##### A. The Financial Reporting Entity

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

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

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

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

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



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

The Community Redevelopment Agency (CRA), created by statutory authority of Florida Statute Chapter 163, Part III, and legal authority was created and is governed by City of Tarpon Springs Ordinance 2001-24, although it is legally separate, is reported as if it was part of the City (blended component unit) due to the City Commission serving as the governing board of the CRA. All revenues of the CRA are used in the district to fund capital improvements within the district. 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, 2013, 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 liabilities is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1)

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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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. The fiduciary fund statements for the agency funds do not report revenues and expenses and therefore do not have a measurement focus. The agency funds use the full accrual basis of accounting to recognize receivables and payables.

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

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

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

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

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

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

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

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

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

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

Agency Fund – is used to account for the City's collection of radon gas and transportation impact fees which are remitted to the State of Florida and Pinellas County, respectively.

#### 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.

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

### **Notes to the Financial Statements September 30, 2013**

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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.

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.

Investments are carried at a mixture of amortized cost and fair value based measures because certain investments meet the Government Accounting Standards Board Statement No. 31 criteria for reporting at amortized cost. The State Board of Administration Pool (Florida Prime) Plan A, a 2a7-like pool, is carried at amortized cost, which approximates fair value. A 2a7-like pool is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, Plan A of Florida Prime operates essentially as a money market fund.

#### **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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements

September 30, 2013

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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.

#### Capital Assets:

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

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

Net interest cost (interest cost less interest earned on the investment of unexpended debt proceeds) is capitalized for business-type activities on construction projects financed with tax-exempt debt. Interest cost is not capitalized on projects financed by government grants, third party donations or on assets in the governmental funds. Total interest incurred for business-type activities during the current fiscal year was \$562,424. Of this

## City of Tarpon Springs, Florida

### Notes to the Financial Statements

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amount, \$525,676 was capitalized, net of interest earnings, for the Alternative Water Plant Construction.

#### Compensated Absences:

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

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

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.



## City of Tarpon Springs, Florida

### Notes to the Financial Statements

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#### 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.

#### Unavailable Revenue:

Unavailable 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.

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

Unavailable revenue in the internal service fund – risk management is for billings that are not yet available to finance expenses of the current fiscal year.

#### 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 Assets (changed to Net Position) which are:

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

Deferred Inflows of Resources - is an acquisition of net assets 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 (replacing Net Assets) 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.

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

### **Notes to the Financial Statements September 30, 2013**

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In accordance with GASB Statement No. 65, the City has previously determined that Local Business Taxes, Mausoleum Loans and Sewer Impact/Connection Loans that were all billed in FY 2013, but are revenues of the subsequent year FY 2014, are to be classified as Deferred Inflows of Resources.

#### **Net Position:**

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

**Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

**Restricted** – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$20,668,515 of restricted net position, of which \$7,163,775 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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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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 the city charter, ordinances and resolutions. 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 (city charter, ordinance and resolution) it employed previously to commit those amounts.

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

**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:

## City of Tarpon Springs, Florida

### Notes to the Financial Statements

September 30, 2013

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

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

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

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

**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.

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

### **Notes to the Financial Statements September 30, 2013**

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

#### **III. Policy**

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

A. General Fund - There shall be a reserve balance in its unassigned fund balance equal to 20% of the current fiscal year operating expenditure and transfers out budgeted for the fund. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The reserve shall be in addition to all other categories of fund balance which include Non-Spendable, Restricted, Committed and Assigned. In any fiscal year where the City is unable to fund the reserve balance of Unassigned fund balance as required in this section, the City shall not budget any amount of unappropriated fund balance for the purpose of balancing the budget.

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

#### **IV. Utilization of Surplus Reserves**

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

#### **V. Replenishment of Reserve Deficits**

If, at the end of any fiscal year, the actual amount of unassigned fund balance or unrestricted net position falls below the required fund levels set forth herein, the City Manager shall prepare and submit a plan for expenditure or expense reductions and/or revenue increases to the City Commission. As a part of the annual budget review, the City Commission shall review and, if necessary, amend the plan submitted by the City

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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Manager for restoring the amounts of unassigned fund balance or unrestricted net position to the required levels. Any deficit in the required amount must be restored no later than the end of the second fiscal year following the occurrence.

#### VI. Annual Review

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

#### Interfund Transactions:

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

#### Establishment/Elimination of Funds:

During the fiscal year ended September 30, 2013, there were no new funds and none were eliminated.

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

The following Government Accounting Standards were effective in fiscal year 2013 or were implemented early by the City.

Government Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements". The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. The requirements of GASB 60 are effective in fiscal year 2013. Its implementation did not have any effect on the City's financial statements.

Government Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus". This statement amends GASB No. 14 and GASB No. 34 to modify certain requirements for inclusion of component units in the financial reporting entity, to amend the criteria for reporting component units as if they were part of the primary government (i.e. blending) in certain circumstances, and clarifies the reporting of equity interests in legally separate organizations. The requirements of GASB 61 are effective in fiscal year 2013. The City chose to early implement this statement in fiscal year 2012. Its implementation did not have any effect on the City's financial statements.

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

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

**September 30, 2013**

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Information on the Financial Reporting Entity can be found on pages B-29 through B-30 of the Notes to the Financial Statements.

Government Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements".

The objective of GASB 62 is to incorporate into GASB authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- 1) Financial Accounting Standards Board (FASB) Statements and Interpretations
- 2) Accounting Principles Board Opinions
- 3) Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure

GASB 62 is an effort by GASB to codify all sources of generally accepted accounting principles for state and local governments so that they can be derived from a single source (GASB). It will eliminate the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments. GASB 62 also supersedes GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting" thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post November 30, 1989 FASB statements and interpretations that do not conflict with or contradict GASB pronouncements. GASB 62 will eliminate the need to disclose a statement in the Notes to the Financial Statements that proprietary fund types apply all applicable pronouncements of FASB issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements. This also removes the requirement to disclose whether the entity has implemented any pronouncements subsequent to November 30, 1989. The requirements of GASB 62 are effective in fiscal year 2013.

Government Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" amends GASB No. 34. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position by distinguishing them from assets and liabilities. Net position replaces the terminology net assets in the Statement of Net Position. The requirements of GASB 63 are effective in fiscal year 2013. The City chose to early implement this statement in fiscal year 2012. Its implementation has introduced the new elements mentioned above to the Statement of Net Position and the Balance Sheet.



## City of Tarpon Springs, Florida

### Notes to the Financial Statements

September 30, 2013

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Government Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement 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. The requirements of GASB 65 are effective in fiscal year 2014. The City chose to early implement this statement in fiscal year 2012. Its implementation has required the reclassification of certain liabilities as deferred inflows of resources in the Statement of Net Position and the Balance Sheet.

#### 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 2013, but had immaterial financial statement impact.

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

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

1. The City Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is approved by the Commission through the passage of a resolution.
4. All budget transfers between departments and all budget amendments must be approved by the Commission. The City Manager is authorized to transfer budgeted amounts within a department of a fund. The legal level of budgetary control per the city charter is the department level. During fiscal 2013, periodic amendments were made to the approved budget.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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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, 2013 was 5.4500.

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

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

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

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

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

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

#### **B. Excess of Expenditures Over Appropriations**

The City had no expenditures over appropriations.

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

### **Notes to the Financial Statements September 30, 2013**

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

The City's Grants Special Revenue Fund contains an unassigned fund balance deficit of \$29,340. This is caused by the City incurring expenditures related to the Grants with the expected final approved Grant receipts to be received in Fiscal year 2014.

The City's Golf Course Enterprise Fund contains an unrestricted net position deficit of \$767,099. This is caused by extensive capital projects being undertaken at the golf course. A reduction of the interfund transfer to the General Fund on a temporary basis, a decrease in the amount of Capital expenses, and rate adjustments will alleviate this deficit.

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

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

###### **Deposits:**

All cash of the City is entirely insured either by federal depository insurance corporation (FDIC) or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02. Florida Statutes require depositories of public funds to provide collateral each month at least equal to 50 percent of the average daily balance of all public deposits in excess of deposit insurance. At year-end, the carrying amount of the City's deposits that were insured through the "FDIC" or as "Qualified Public Deposits" was \$23,264,254 which consisted of Checking accounts \$16,746,440, BB&T Public Funds Savings \$2,517,814, and Certificates of Deposits \$4,000,000.

###### **Pooled Cash and Investments:**

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

**Investment Policy – Authorized Investments:** Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, Local Government Surplus Funds Trust Fund (name changed to "Florida Prime") and mutual funds investing in U.S. Government securities. The City adopted its own investment policy that also authorizes the City to invest in the following: a) obligations of government-sponsored corporations (Instrumentalities – which are usually "AAA" rated but have no explicit government guarantee) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve; b) commercial paper having received an "A1/P1" or higher rating by a nationally recognized rating agency; c) non-negotiable certificates of deposit and bank investment contracts (BIC), which can be insured, collateralized at the Federal Reserve or qualify as State qualified public

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

### **Notes to the Financial Statements September 30, 2013**

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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, 2013 is .22%. During Fiscal Year 2013, the average cash/investment pool balance was \$49,788,171 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$33,202 (not including bond/debt service earnings) giving an average rate of return of .07% on the average balance. The City experienced positive investment earnings in all investments except for the Florida Municipal Investment Trust Funds (FMIVT) Intermediate High Quality Bond Fund which recognized a loss of \$83,817 for the year. The City will monitor this investment in the future to see if our exposure in this investment should be re-allocated.

The Local Government Surplus Funds Trust Fund (Fund) (name changed to "Florida Prime") is an investment pool administered by the Florida State Board of Administration (SBA) which is a three member board made up of the State elected officials of Governor, Attorney General and Chief Financial Officer. This Board is empowered by Florida law to invest funds at the request of local governments. Investments held in the Fund consist of federal agency obligations, treasury bills, repurchase agreements, floating/variable rate notes, and commercial paper. Investment income is recognized as earned and is allocated to participants of the Fund based on their equity participation.

As of September 30, 2013, the City of Tarpon Springs had \$249 and \$2,509 invested in Pool A and B, respectively. The funds in Pool A and Pool B are from a Property Tax distribution transfer the Pinellas County Tax Collector made from their State Board account into the City's State Board account after the temporary freeze was lifted in December 2007 due to the sub-prime mortgage risk. In Fiscal Year 2013 the City recorded a gain in Pool B of \$541 to its fair value of \$2,509 at September 30, 2013.

The City may withdraw 100% of the balance in Pool A. Pool B participants are prohibited from withdrawing funds. As investments in Pool B mature the State Board transfers those funds to the participants Pool A accounts.

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 administered by the Florida League of Cities, Inc. It is an interlocal governmental entity

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

### **Notes to the Financial Statements September 30, 2013**

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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.

On March 12, 2013 the City closed on Utility System Revenue Bonds, Series 2013 and received \$29,364,846 for the construction of the new alternative water plant. Of this amount, \$1,321,144 is for funding capitalized interest, \$2,045,894 is for funding debt service reserve and \$385,468 is for cost of issuance. The remaining bond proceeds (\$25,612,340) were wired to Regions Bank, who was chosen by the City for safe keeping. The funds were then invested by Public Financial Management (PFM), the firm chosen to invest the bond proceeds during the construction of the water plant. The investments were laddered to mature based on the estimated cash flow needs of the project. Of the \$25,612,340, \$850,270 was invested in Federated Government Obligations Fund a money market mutual fund, \$13,149,897 was invested in commercial paper having maturities between June 19, 2013 and December 17, 2013, \$5,314,016 was placed in U S Treasuries maturing April 30, 2014 and May 31, 2014, and \$6,298,157 was invested in federal instruments maturing between June 27, 2014 and March 16, 2015.

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2013

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
<b>Cash and Cash Equivalents:</b>				
Cash on Hand		\$ 56,909		
Deposits with Bank -				
Bank of America - Checking Accounts				
Operating Funds		7,228,220		
Bond Proceeds		9,518,220		
		16,746,440		
BB&T - Public Funds Savings Account		2,517,814		
Total Deposits with Banks		19,264,254		
State Board of Administration (Florida Prime)				
Plan A	40 days	249	AAAm	S & P
Plan B	3.98 years	2,509	N/R	
Total State Board of Administration (Florida Prime)		2,758		
Florida Municipal Investment Trust -				
High Quality Government Fund	0.68	2,121,216	AAA/V1	Fitch
1-3 Year High Quality Bond Fund	1.52	3,146,714	AAA/V2	Fitch
Intermediate High Quality Bond Fund	3.71	7,130,493	AAA/V3	Fitch
Total Florida Municipal Investment Trust		12,398,423		
Bond Proceeds - Externally Managed				
Federated Government Obligation Fund		880,520	AAAm	S & P
Total Cash and Cash Equivalents		32,602,864		
<b>Investments:</b>				
Certificate of Deposit - BB&T	12/13/2013	4,000,000	n/a	
Federal Farm Credit Bank Note	6/26/2014	2,000,034	AA+	S & P
Federal Farm Credit Bank Note	7/23/2015	1,000,042	AA+	S & P
Federal Farm Credit Bank Note	9/17/2015	2,000,076	AA+	S & P
Federal Farm Credit Bank Note	9/17/2015	1,000,038	AA+	S & P
Federal Farm Credit Bank Note	10/16/2015	1,500,057	AA+	S & P
Federal Farm Credit Bank Note	10/22/2015	1,499,106	AA+	S & P
Federal Home Loan Bank Note	2/19/2016	997,506	AA+	S & P
Federal Home Loan Bank Note	2/22/2016	1,990,280	AA+	S & P
Federal Home Loan Bank Note	4/12/2016	995,946	AA+	S & P
Federal Home Loan Bank Note	5/9/2016	1,989,020	AA+	S & P
Federal Home Loan Bank Note	6/10/2016	1,491,246	AA+	S & P
Federal Home Loan Bank Note	8/16/2016	1,985,000	AA+	S & P
Federal Home Loan Bank Note	9/16/2016	2,001,224	AA+	S & P
Federal Farm Credit Bank Note	9/26/2016	1,002,279	AA+	S & P
Federal Farm Credit Bank Note	9/26/2016	1,002,279	AA+	S & P
Total Investments		26,454,133		
Bond Proceeds - Externally Managed Investments				
Commercial Paper		11,123,559	A-1+	S & P
Government Securities		11,617,129	AA+	S & P
Total Bond Proceeds Externally Managed		22,740,688		
Total Investments		49,194,821		
Total Pooled Cash and Investments		\$ 81,797,685		

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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Cash and investments as of September 30, 2013 are classified in the accompanying financial statements as follows:

<u>Statement of Net Position</u>	<u>9/30/2013</u>
Primary Government:	
Cash and cash equivalents	\$ 17,506,143
Investments	26,454,133
Restricted assets:	
Cash and cash equivalents	14,943,854
Investments	22,740,688
 Fiduciary Fund:	
Cash and cash equivalents-agency fund	<u>152,867</u>
 Total Pooled Cash and Investments per CAFR	<u><u>\$ 81,797,685</u></u>

#### Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2013, 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, 2013, 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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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#### 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.

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>
Cash and Cash Equivalents:		
Cash in Managed Investment Accounts	\$ 1,356,592	n/a
Investments:		
U. S. Treasuries	119,918	AAA
U. S. Agencies	1,168,683	AAA
Municipal Bonds	51,875	Aa1/Aa2/Aa3
Domestic Corporate Bonds	808,628	Aa1/Aa2/Aa3
Domestic Corporate Bonds	2,322,304	A1/A2/A3
Domestic Corporate Bonds	696,445	Baa1/Baa2Baa3
Real Estate	1,563,589	n/a
Equities Common Stock	11,065,146	n/a
Total Investments	<u>17,796,588</u>	
Total Managed Cash and Investments	<u>\$ 19,153,180</u>	



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

### **Notes to the Financial Statements September 30, 2013**

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#### **Credit Risk:**

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

#### **Interest Rate Risk:**

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

#### **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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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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>
Cash and Cash Equivalents:		
Cash in Managed Investment Accounts	\$ 390,013	n/a
Investments:		
U. S. Treasuries	137,020	AAA
U. S. Agencies	804,505	AAA
U. S. Agencies	625,900	A2
Domestic Corporate Bonds	1,886,062	A1/A2/A3
Domestic Corporate Bonds	1,424,004	Baa1/Baa2/Baa3
Mortgage/Asset Backed Securities	2,695,344	Not Rated
Equities Common Stock	11,106,256	n/a
Mutual Funds	2,202,200	n/a
Total Investments	<u>20,881,291</u>	
Total Managed Cash and Investments	<u>\$ 21,271,304</u>	

#### Credit Risk:

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

#### Interest Rate Risk:

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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#### 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	\$ 8,218,364	n/a
Mutual Funds - Former City Manager Pension Plan	218,713	n/a
	<u>\$ 8,437,077</u>	

##### Interest Rate Risk:

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

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2013

### B. Receivables

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

	Governmental Activities		
	Internal		Total
	General	Service	
Interest	\$ 20,081	\$ 1,562	\$ 21,643
Accounts - billed	324,117	-	324,117
Taxes	450,210	-	450,210
Total receivables	\$ 794,408	\$ 1,562	\$ 795,970
Allow. for uncollectibles	-	-	-
Net total receivables	\$ 794,408	\$ 1,562	\$ 795,970

	Business-type Activities			
	Non-Major			Total
	Sanitation	Water/ Sewer	Enterprise Funds	
Interest	\$ 1,541	\$ 1,370	\$ 1,524	\$ 4,435
Accounts - billed	346,223	937,590	109,555	1,393,368
Accounts - unbilled	123,986	398,209	38,718	560,913
	471,750	1,337,169	149,797	1,958,716
Allow. for uncollectibles	(31,414)	(80,873)	(4,957)	(117,244)
Net total receivables	\$ 440,336	\$ 1,256,296	\$ 144,840	\$ 1,841,472

Restricted:				
Accrued interest	-	21,337	-	21,337
Accounts - billed	-	37,990	-	37,990
Total restricted receivables	\$ -	\$ 59,327	\$ -	\$ 59,327

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2013

### C. Capital Assets

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 5,164,829	\$ 15,000	\$ -	\$ 5,179,829
Construction in progress	2,266,922	3,016,256	(1,258,887)	4,024,291
Total capital assets, not being depreciated	7,431,751	3,031,256	(1,258,887)	9,204,120
Capital assets, being depreciated:				
Buildings	18,230,356	72,854	-	18,303,210
Improvements other than buildings	7,630,050	645,742	(73,428)	8,202,364
Machinery and equipment	8,701,315	590,751	(27,460)	9,264,606
Infrastructure	41,420,374	1,348,882	-	42,769,256
Total capital assets, being depreciated	75,982,095	2,658,229	(100,888)	78,539,436
less accumulated depreciation for:				
Buildings	(10,383,219)	(504,550)	-	(10,887,769)
Improvements other than buildings	(3,577,916)	(355,602)	41,167	(3,892,351)
Machinery and equipment	(6,325,552)	(643,364)	18,109	(6,950,807)
Infrastructure	(20,186,506)	(1,299,683)	-	(21,486,189)
Total accumulated depreciation	(40,473,193)	(2,803,199)	59,276	(43,217,116)
Total capital assets, being depreciated, net	35,508,902	(144,970)	(41,612)	35,322,320
Governmental activities capital assets, net	\$ 42,940,653	\$ 2,886,286	\$ (1,300,499)	\$ 44,526,440
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 2,667,573	\$ 77,835	\$ -	\$ 2,745,408
Construction in progress	10,498,149	7,972,121	(2,670,303)	15,799,967
Total capital assets, not being depreciated	13,165,722	8,049,956	(2,670,303)	18,545,375
Capital assets, being depreciated:				
Buildings	965,849	485,764	-	1,451,613
Improvements other than buildings	48,480,178	3,258,709	-	51,738,887
Machinery and equipment	4,215,891	806,020	(1,403)	5,020,508
Total capital assets, being depreciated	53,661,918	4,550,493	(1,403)	58,211,008
less accumulated depreciation for:				
Buildings	(196,336)	(46,542)	-	(242,878)
Improvements other than buildings	(25,760,534)	(1,491,093)	-	(27,251,627)
Machinery and equipment	(3,409,396)	(270,069)	1,403	(3,678,062)
Total accumulated depreciation	(29,366,266)	(1,807,704)	1,403	(31,172,567)
Total capital assets, being depreciated, net	24,295,652	2,742,789	-	27,038,441
Business-type activities capital assets, net	\$ 37,461,374	\$ 10,792,745	\$ (2,670,303)	\$ 45,583,816

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

Governmental activities:	
General government	\$ 199,853
Public safety	711,195
Physical environment	104,911
Transportation	1,152,861
Economic environment	189,265
Culture/recreation	424,924
Internal service funds	<u>20,190</u>
Total depreciation expense - governmental activities	\$ <u>2,803,199</u>
Business-type activities:	
Sanitation	\$ 23,059
Water and Sewer	1,577,770
Stormwater	139,468
Marina	16,526
Golf Course	<u>50,881</u>
Total depreciation expense - business-type activities	\$ <u>1,807,704</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, 2013, 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, 2013, 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, 2013**

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The amounts of the reclassified balances at September 30, 2013, were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 600,221	\$ -
Special Revenue Fund:		
Grants	-	186,230
Enterprise Fund:		
Golf Course	-	413,991
Total	<u>\$ 600,221</u>	<u>\$ 600,221</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
Capital Project Fund:		
Optional Sales Tax	\$ 1,042,105	\$ -
Special Revenue Fund:		
CRA	-	1,042,105
Enterprise Fund:		
Sanitation	214,987	-
Golf Course	-	214,987
Total	<u>\$ 1,257,092</u>	<u>\$ 1,257,092</u>

In Fiscal Year 2005, the one cent local option sales tax fund advanced funds to the community redevelopment agency (CRA) fund in the amount of \$2,200,465 for the purpose of providing the balance of monies required for CRA expenditures. This advance was decreased with a reimbursement of \$165,480 in Fiscal Year 2013. This noninterest-bearing advance is to be repaid per the Interlocal Reimbursement Agreement schedule below, from CRA property tax receipts as they are collected. At September 30, 2013, the unpaid advance was \$1,042,105, which is included in the total advances of \$1,257,092 in the City's financial statements.

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2013

Due Date	Amount Due
September 30, 2014	\$ 171,390
September 30, 2015	177,300
September 30, 2016	183,210
September 30, 2017	189,120
September 30, 2018	195,030
September 30, 2019	126,055
	<u>\$ 1,042,105</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. This advance was decreased with a reimbursement of \$86,652 in Fiscal Year 2013. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2013, the unpaid advance was \$214,987, which is included in the total advances of \$1,257,092 in the City's financial statements.

### Interfund transfers:

	Transfer In:						
	Governmental Funds		Enterprise Funds				Total
	General	Non-major	Sanitation	Water/Sewer	Non-major	Internal	
	Fund	Governmental			Enterprise	Service Funds	
Fund	Funds	Funds			Vehicle Maint		
Transfer Out:							
Governmental Funds:							
General Fund	\$ -	\$ 10,754	\$ -	\$ -	\$ -	\$ -	\$ 10,754
Non-major Governmental Funds	200,000	206,000	-	-	-	-	406,000
Enterprise Funds:							
Sanitation	201,400	-	-	-	-	-	201,400
Water & Sewer	562,242	-	-	-	-	-	562,242
Non-major Enterprise Funds	243,404	-	-	-	-	-	243,404
Internal Service Funds:							
Risk Management	143,566	763	10,923	47,641	12,775	2,606	218,274

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)



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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transfer funding from governmental funds to capital project funds; and 4) transfer matching funds from the General Fund and Special Revenue Funds to various grant programs.

#### E. Leases

##### Operating Leases:

The City is lessor on various leases. Aggregate rental income totaled \$440,666 in fiscal year 2013. Included in this amount are rents of \$316,415 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.

Included in the aggregate rental income of \$440,666 is \$73,500 received under the terms of a 50-year lease dated March 17, 2004 with Savannah Cove Limited Partnership for leasing of the land in which Savannah Cove Limited Partnership has an elder housing apartment complex. The annual rent with the lease is \$73,500 annually. As part of the closing of the lease on March 17, 2004, the City loaned Savannah Cove Limited Partnership \$200,000 in which interest shall be payable on this Promissory Note at a fixed per annum rate equal to zero percent (0%). The entire remaining unpaid Principal shall be due and payable on the 17<sup>th</sup> day of March, 2054 (the "Maturity Date"). In the event this Note is not repaid on the Maturity Date, interest shall commence accruing at such time at a rate of eighteen percent (18%) per annum. The loan is recorded as an accounts receivable in the City's financial statements at September 30, 2013 in the amount of \$200,000.

Also included in the aggregate rental income of \$440,666 is \$37,204 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. The annual rent initially with the lease was \$30,000 (\$2,500 per month) and commencing with the second (2<sup>nd</sup>) year of the agreement the basic monthly rent shall be adjusted annually upon each anniversary of the commencement date of this agreement, by any change in the index now known as "United States Bureau of Labor Statistics, Consumer Price Index for Urban Consumers".

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

##### Revenue Note:

On November 19, 2009, the City entered into an Infrastructure Sales Tax Revenue Note, Series 2009, at 3.22% for five years, for the acquisition of a Fire Truck. The Note is due in semiannual installments, beginning on April 1, 2010, and is collateralized by the pledged revenues of the one cent local option sales tax.

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	146,000	3,526	149,526
Total	<u>\$ 146,000</u>	<u>\$ 3,526</u>	<u>\$ 149,526</u>

The City has pledged sales tax revenues from the levy and collection of the one-cent discretionary infrastructure sales tax to repay the \$667,000 Infrastructure Sales Tax Revenue Note, Series 2009 issued in November 2009. Proceeds of the note provided financing for the acquisition of a Fire Truck. The note is paid solely from the sales tax revenues and is payable through October 2014. The total principal and interest remaining to be paid on the note is \$149,526. Principal and interest paid for the current year and infrastructure sales tax revenues were \$149,114 and \$1,862,505 respectively.

##### 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 \$240,000 at October 1, 2015 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 \$550,000 at October 1, 2015 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,

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

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

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

Year Ended September 30 -	Utility System Revenue Bonds					
	2013A-1		2013A-2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ 237,463	\$ -	\$ 1,017,450	\$ -	\$ 1,254,913
2015	240,000	237,463	550,000	1,017,450	790,000	1,254,913
2016	250,000	227,863	570,000	995,450	820,000	1,223,313
2017	255,000	220,363	595,000	972,650	850,000	1,193,013
2018	265,000	212,713	615,000	948,850	880,000	1,161,563
2019-2023	1,455,000	934,238	3,395,000	4,433,075	4,850,000	5,367,313
2024-2028	1,675,000	715,175	3,930,000	3,896,650	5,605,000	4,611,825
2029-2033	1,950,000	435,450	4,680,000	3,154,175	6,630,000	3,589,625
2034-2038	1,335,000	94,500	6,570,000	2,218,400	7,905,000	2,312,900
2039-2042			7,465,000	712,688	7,465,000	712,688
Totals	\$ 7,425,000	\$ 3,315,225	\$ 28,370,000	\$ 19,366,838	\$ 35,795,000	\$ 22,682,063

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

### **Notes to the Financial Statements September 30, 2013**

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The City has pledged future net revenues of the City of Tarpon Springs, Florida Utility System defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay the \$35,795,000 Utility System Revenue Bonds issued in March 2013. Proceeds from the bonds provided financing for the costs of the design, permitting, acquisition and construction of well sites, pipelines and the reverse osmosis water plant project, funding necessary reserves, and paying all related costs; refunding the City's outstanding Utility System Revenue Bond Anticipation Note, Series 2007A. The bonds are payable solely from the Utility System net revenues and are payable through October 1, 2042. The principal of the Bonds at September 30, 2013 are \$35,795,000, Series 2013A-1 \$7,425,000 and Series 2013A-2 \$28,370,000. Interest paid for the current year and net revenues were Series 2013A-1 \$131,264 and Series 2013A-2 \$36,748 (total interest \$562,424 minus capitalized interest \$525,676) and \$4,183,967 respectively.

#### **Utility System Grant Anticipation Note:**

On March 12, 2013, the City authorized the issuance of a Utility System Grant Anticipation Note, Series 2013, to finance capital costs which are eligible for reimbursement under a Southwest Florida Water Management District (SWFWMD) grant for the reverse osmosis water plant project. The Note is being issued in anticipation of the receipt of grant reimbursements to be made to the City by (SWFWMD) to pay a portion of the costs of the Project. The Note is being issued as a draw down loan in an amount not to exceed \$18,006,960 with a maturity of October 1, 2016.

The City is required to make minimum monthly draws at least equal to \$1,500,000. The note is a variable rate of interest equal to 100% of the 30 day Libor plus 56.7 basis points. The interest rate will change daily based on changes in the 30 day Libor. Interest on the note shall be paid semi-annually commencing on April 1, 2013 and on each subsequent April 1 and October 1.

The City is required to apply all Grant Proceeds received from SWFWMD to prepay the principal balance of the Note within 15 days of receipt thereof and it is reasonably expected that the City will receive the Grant Proceeds at such times and in such amounts that will allow it to prepay the principal amount of the Note prior to its maturity on October 1, 2016. Through prepayment the City is required to reduce the outstanding principal balance of the Note by an amount equal to at least \$1,850,000 by October 1, 2014 and further by an amount equal to at least \$925,000 by October 1, 2015. The principal payments may be made at any earlier time as long as the minimum requirements are met above. All unpaid principal and interest shall be due on the maturity date of October 1, 2016. The principal balance of the Note at September 30, 2013 is \$6,741,900 which is made up of draws of \$7,562,117 less prepayments of \$820,217. Interest paid for the current year and net revenues were \$12,570 and \$4,183,967 respectively.

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

### **Notes to the Financial Statements September 30, 2013**

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The City has pledged the Grant Proceeds and Net Revenues of the Utility System for the repayment of the Note. The lien on Net Revenues shall be junior and subordinate in all respects to the "Bonds" and any "Parity Contract Obligations" under the Senior Lien Bond Resolution.

#### **Revenue Bond Anticipation Note:**

On May 16, 2007, the City authorized the issuance of a Utility System Revenue Bond Anticipation Note, Series 2007A. The note was issued in the mode of a line of credit in an amount not to exceed \$15,000,000. Interest on the note shall be paid semi-annually commencing on October 1, 2007 and on each subsequent April 1 and October 1 until conversion to a term loan. Before such conversion, no principal on the note shall be due. Interest on the note prior to conversion to a term loan is at 67% of the one month LIBOR (quoted from the British Bankers Association at 11:00 a.m., London time, each day that the London markets are open) plus .60%, adjusted monthly on the first day of each month. The bonds are secured by the net revenues of the utility system.

The City has pledged the net revenues and water and sewer capital facilities fees of the utility system to repay the \$15,000,000 Utility System Revenue Bond Anticipation Note, Series 2007A issued in May 2007. Proceeds of the note are to finance the cost of the design, permitting acquisition and construction of well sites, pipelines and a reverse osmosis plant. The bond is paid solely from the net revenues and water and sewer capital facilities fees of the utility system and is payable through October 2032. The total principal and interest in the amount of \$6,696,183.55 (principal \$6,673,965 and interest \$22,218.55) was refunded by the Utility System Revenue Bond, Series 2013A-1 on March 12, 2013. Interest paid for the current year and net revenues were \$22,219 and \$4,183,967 respectively.

# City of Tarpon Springs, Florida

## Notes to the Financial Statements September 30, 2013

Long-term liability activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Notes payable:					
Notes payable	\$ 287,000	\$ -	\$ (141,000)	\$ 146,000	\$ 146,000
Total notes payable	287,000	-	(141,000)	146,000	146,000
Other Liabilities:					
Compensated absences	1,061,384	587,934	(516,504)	1,132,814	51,909
Other postemployment benefits	123,915	75,358	(41,285)	157,988	-
Claims payable	164,128	122,870	(115,931)	171,067	9,814
<b>Governmental activities</b>					
Long-term liabilities	<u>\$ 1,636,427</u>	<u>\$ 786,162</u>	<u>\$ (814,720)</u>	<u>\$ 1,607,869</u>	<u>\$ 207,723</u>
<b>Business-type Activities:</b>					
Bonds and notes payable:					
Utility system revenue bonds	\$ -	\$ 35,795,000	\$ -	\$ 35,795,000	\$ -
Less deferred amounts:					
For issuance premiums (discounts)	-	468,484	(8,235)	460,249	-
Net utility system revenue bonds	-	36,263,484	(8,235)	36,255,249	-
Revenue bond anticipation note	6,673,965	-	(6,673,965)	-	-
Utility grant anticipation note	-	7,562,117	(820,217)	6,741,900	-
Total bonds and notes payable	6,673,965	43,825,601	(7,502,417)	42,997,149	-
Other Liabilities:					
Compensated absences	206,885	192,559	(170,221)	229,223	19,014
Other postemployment benefits	52,085	23,843	(2,315)	73,613	-
<b>Business-type activities</b>					
Long-term liabilities	<u>\$ 6,932,935</u>	<u>\$ 44,042,003</u>	<u>\$(7,674,953)</u>	<u>\$ 43,299,985</u>	<u>\$ 19,014</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 \$13,930 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund with \$1,106,665 making up most of this balance and the remainder of \$12,219 being liquidated by other governmental funds.

Total interest on long term debt from Governmental Activities in the Statement of Activities is associated with the following activities.

Public safety	\$ 8,114
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## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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#### 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 \$307,267 for Fiscal Year 2013. Claims for each occurrence above \$25,000 and above \$307,267 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 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, 2013 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, 2013.

Changes in the claims liability amounts in Fiscal Years 2013 and 2012 were:

	Self Insurance
Balance at September 30, 2011	\$ 95,984
Current year claims and changes in estimates	84,385
Claim payments	<u>(16,241)</u>
Balance at September 30, 2012	164,128
Current year claims and changes in estimates	122,870
Claim payments	<u>(115,931)</u>
Balance at September 30, 2013	<u><u>\$ 171,067</u></u>

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

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

### **Notes to the Financial Statements September 30, 2013**

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Insurance Trust. Life and Long-Term Disability insurance is purchased through Mutual of Omaha

#### **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, 2013, 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 \$18,859 in Fiscal Year 2013 for post-closure monitoring and maintenance at the facility.



## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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

The following table lists the outstanding encumbrances at September 30, 2013. 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	Community Redevelopment Agency	Optional Sales Tax	Non-Major Governmental Funds	Internal Service Funds	
Encumbrances Outstanding	\$ 818,109	\$ 29,610	\$ 818,679	\$ 329,581	\$ 73,129	\$ 2,069,108

	Business-Type Activities			Total
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	
Encumbrances Outstanding	\$ 5,340	\$ 35,359,609	\$ 202,163	\$ 35,567,112

General Fund - of the amount noted above, \$541,364 is for the Energy Savings Performance Contract with Ameresco; \$188,423 for new telephone system.

Optional Sales Tax – of the amount noted above, \$428,816 is for the Energy Savings Performance Contract with Ameresco; \$198,797 for Sponge Docks Riverwalk; \$108,446 for Craig Park Seawall.

Non-Major Governmental Funds - of the amount noted above, \$204,401 is for annual street paving and sidewalks.

Water and Sewer – of the amount noted above, \$33,960,350 is for the new Alternative Water Plant and Injection Well; \$435,638 for Sewage Treatment Plant Headworks Rehabilitation; \$295,267 for Sewering of Lake Tarpon; \$112,785 for the Energy Savings Performance Contract with Ameresco.

Non-Major Enterprise Funds – of the amount noted above, \$132,418 is for Tarpon/Disston Drainage.

During Fiscal Year 2013 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, 2013**

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#### **F. Other Post Employment Benefits**

The City follows GASB No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, for certain postemployment benefits provided by the City. The unfunded actuarially accrued liability at September 30, 2013 is \$1,036,000.

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

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. In accordance with Section 112.0801, of the Florida Statutes, because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. Benefit provisions for the Plan are established by the City Commission and may be amended by the City Commission. These retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. However, the City subsidizes the premium rates paid by retirees by allowing them to participate in the plans at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Medicare eligible retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The City does not issue stand-alone financial statements for the Plan.

##### **Funding Policy:**

Contribution rates for the Plan are established on an annual basis by the City Commission. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for health insurance. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees, constitutes a significant economic benefit to retirees, or an implicit subsidy. This implicit subsidy is considered to be an other postemployment benefit (OPEB) obligation of the City. The City is currently funding this OPEB obligation on a pay-as-you-go-basis. For the year ended September 30, 2013, the City estimated that it subsidized \$43,600 of health care costs for its retirees and their covered dependents.

##### **Annual OPEB Cost and Net OPEB Obligation:**

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

The following table shows the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 97,300
Interest on net OPEB obligation	8,800
Adjustment to annual required contribution	(6,900)
Annual OPEB cost (expense)	99,200
Contributions made	(43,600)
Increase in net OPEB obligation	55,600
Net OPEB obligation - beginning of year	176,000
Net OPEB obligation - end of year	\$ 231,600

The actuarially determined contribution requirements for the City's fiscal year ended September 30, 2013 are based on an actuarial valuation as of October 1, 2012.

No trust or agency fund has been established for the plan and there were no adjustments to the annual required contribution or interest earnings.

At fiscal year ended September 30, 2013, of the \$231,600 net OPEB obligation, the general fund will liquidate \$152,238 and the balance will be liquidated by the proprietary funds.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2013, are presented below. Data is presented for three fiscal years as required by GASB Statement No. 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
9/30/2011	\$ 122,000	45.90%	\$ 119,000
9/30/2012	\$ 129,000	55.81%	\$ 176,000
9/30/2013	\$ 99,200	43.95%	\$ 231,600

#### Funded Status and Funding Progress:

As of September 30, 2013, the actuarial accrued liability for benefits was \$1,036,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$1,036,000. The covered payroll (annual payroll for active participating employees) was projected to be \$12,252,873 for Fiscal Year 2013, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.46%.

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

### **Notes to the Financial Statements September 30, 2013**

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#### **Actuarial Methods and Assumptions:**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City's OPEB actuarial valuation for Fiscal Year 2013 used the projected unit credit cost method to estimate the unfunded actuarial liability and to determine the annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 5.0% rate of return on invested assets, which is the City's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4.0% per year, and an annual healthcare cost trend rate of 10.0% initially for fiscal year 2012, reduced by .5% per year, to an ultimate rate of 5.0% for the fiscal year ending September 30, 2022. The unfunded actuarial accrued liability is being amortized over 30 years, open level percentage of projected payroll method, in calculating the City's Fiscal Year 2013 annual required contribution.

#### **G. Employee Pension Plans**

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 Pension Plan does also have separate stand-alone audited financial statements performed for the Board of Trustees of the Firefighter Pension Trust Fund which can be obtained by requesting a copy at: City of Tarpon Springs, Fire Department Administration, 444

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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Huey Avenue South, Tarpon Springs, Florida, 34689. The Police Officers Pension Plan does not issue a separate stand-alone financial report. 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 governments actuarial report prior to its use for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the State has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

#### Significant Accounting Policies and Plan Assets:

The City of Tarpon Springs financial statements for the Firefighters and Police Officers pension funds are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that contributions are due, and benefits and refunds are recognized when due and payable.

The investments in the two plan funds are reported at fair value according to the independent custodian and independent money managers for each plan, using various third party pricing sources. Short-term investments are reported at cost, which approximates fair value. Those investments that do not have an established market are reported at estimated fair value.

	Firefighters Pension Trust	Police Officers Pension Trust
Authority	City Ordinance	City Ordinance
Basis of Accounting	Accrual	Accrual
Assets Valuation:		
Reporting	Fair Value	Fair Value
Actuarial Valuation	Four Year Smoothed	Four Year Smoothed
Legal Reserves	None	None
Long-Term Receivables	None	None
Non-governmental investments in excess of 5%	None	See Below

As of September 30, 2013, the Police Officers 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 assets available for benefits.

<u>Asset Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
Harding Loevner Intl Equity Port	126,709	\$ 2,202,200

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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<u>Membership Data and Plan Provisions:</u>	<u>Firefighters Pension Trust</u>	<u>Police Officers Pension Trust</u>
Membership:		
Participant data as of October 1, 2013 the date of the most recent actuarial valuation:		
Active participants:		
Vested	12	19
Nonvested	17	27
Retirees and Beneficiaries	25	25
Terminated Vested	4	6
DROP Retired	5	1
Plan Provisions:		
Normal Retirement Benefits:		
Age	50	50
Years of Credited Service	10	10
or Years of Credited Service regardless of age	25	25
Benefit Amount	3% prior 10/1/99	3%
	3.25% on and after 10/1/99	
Years to Vest	10	10
Early Retirement Benefits:		
Age	None	45
Years of Credited Service	None	10
Benefit Amount	None	3%

#### Contribution Requirements and Contributions Made:

The City's funding policy for the Firefighters and 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 Firefighters and Police Officer'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. 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.

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

In 1997 the City adopted GASB statement number 27 on pension accounting and reporting. This statement requires the computation of a net pension obligation or (asset) which would result if the City's contributions to the pension funds did not equal the annual pension cost as computed by the plan actuaries. The tables below with the annual pension cost, employer contributions and net pension obligation (asset) are based on actuarial valuations as of October 1, 2011.

Actuarial determined contribution and net pension obligation (asset) information for the Firefighters Pension Fund for the last three fiscal years is as follows:

Firefighters Pension Fund				
Year Ended Sept. 30	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension Obligation (Asset)
2013	\$ 951,773	\$ 945,733	99%	\$ (108,527)
2012	688,434	682,554	99%	(114,567)
2011	583,075	573,031	98%	(120,447)

The development of the net pension obligation (asset) at September 30, 2013 for the Firefighters Pension Fund is as follows:

Annual Required Contributions	\$	945,733
Interest on Net Pension Asset		(9,051)
Adjustment to Annual Contribution		15,091
Annual Pension Cost		951,773
Contributions Made		945,733
Decrease in Net Pension Asset		6,040
Net Pension Obligation (Asset) Beginning of Year		(114,567)
Net Pension Obligation (Asset) End of Year	\$	(108,527)

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

Actuarial determined contribution and net pension obligation (asset) information for the Police Officers Pension Fund for the last three fiscal years is as follows:

Police Officers Pension Fund				
Year Ended Sept. 30	Annual Pension Cost	Employer Contributions	Percent Contributed	Net Pension Obligation (Asset)
2013	\$ 787,687	\$ 778,243	99%	\$ (230,803)
2012	665,937	656,113	99%	(240,247)
2011	601,175	580,440	97%	(250,071)

The development of the net pension obligation (asset) at September 30, 2013 for the Police Officers Pension Fund is as follows:

Annual Required Contributions	\$	778,243
Interest on Net Pension Asset		(18,980)
Adjustment to Annual Contribution		28,424
Annual Pension Cost		787,687
Contributions Made		778,243
Decrease in Net Pension Asset		9,444
Net Pension Obligation (Asset) Beginning of Year		(240,247)
Net Pension Obligation (Asset) End of Year	\$	(230,803)



**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2013**

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Actuarial Methods, Significant Assumptions and Contributions:

	<u>Firefighters Pension Trust</u>	<u>Police Officers Pension Trust</u>
Actuarial Methods:		
Valuation Date	10/1/2011	10/1/2011
Actuarial Frequency	Annual	Annual
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percentage of Pay/Closed	Level Percentage of Pay/Closed
Remaining Amortization Period	26 years	26 years
Asset Valuation Method	Four Year Smoothed Market Value	Four Year Smoothed Market Value
Actuarial Assumptions:		
Investment Rate of Return	7.9%	7.9%
Projected Salary Increases*	6.4%	7.0%
* Includes Inflation at	3.0%	3.0%
Post Retirement COLA	2.0%	2.1%
Mortality Table	RP 2000 Combined Healthy Table	RP 2000 Combined Healthy Table
Contributions:		
Actuarial Rate:		
City	43.00%	26.49%
Participants	9.45%	8.00%
Actual City Rate:		
City	43.00%	26.49%
Participants	9.45%	8.00%

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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#### Funded Status and Funding Progress:

The funded status of each plan as of October 1, 2013, the most recent actuarial valuation date, is as follows:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Firefighters	\$ 18,073,950	\$ 23,121,262	\$ 5,047,312	78.17%	\$ 1,759,569	286.85%
Police Officers	20,223,847	22,020,775	1,796,928	91.84%	3,073,654	58.46%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2013**

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Financial Statements for the Police Officers Pension Plan where separate GAAP Financial reports have not been issued are below:

**CITY OF TARPON SPRINGS, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
POLICE OFFICERS PENSION FUND  
SEPTEMBER 30, 2013**

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	<u>Defined Benefit</u> Police Officers Pension
<b>Assets</b>	
Cash and cash equivalents	\$ 390,013
Interest receivable	69,100
Investments, at fair value:	
U.S Government Securities	4,262,769
Corporate Bonds	3,310,066
Equities Common Stock	11,106,256
Mutual Funds	2,202,200
Total Investments	<u>20,881,291</u>
Total Assets	<u>21,340,404</u>
<b>Liabilities</b>	
Total Liabilities	<u>-</u>
<b>Net Position</b>	
Held in Trust for Pension Benefits	<u>\$ 21,340,404</u>

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2013**

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**CITY OF TARPON SPRINGS, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE OFFICERS PENSION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	<u>Defined Benefit</u>
	<u>Police Officers Pension</u>
Additions:	
Contributions:	
Employer	\$ 603,936
Plan members	248,576
State of Florida	198,510
Total Contributions	<u>1,051,022</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	1,618,459
Interest	327,290
Dividends	219,238
	<u>2,164,987</u>
Less Investment Expenses:	
Investment management fees	87,867
Net Investment Income	<u>2,077,120</u>
Total Additions	<u>3,128,142</u>
Deductions:	
Benefits	1,083,461
Refunds of contributions	75,102
Administrative expense	40,182
	<u>1,198,745</u>
Total Deductions	<u>1,198,745</u>
Change in Net Position	1,929,397
Net Position - Beginning of Year	<u>19,411,007</u>
Net Position - End of Year	<u>\$ 21,340,404</u>

**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, 2013, there were 173 active Plan members, 133 vested and 40 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 2013 were \$619,116.

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.

As part of the contract agreement with ICMA-RC, ICMA-RC agreed to pay the surrender charges up to \$140,000 to VALIC. The Term of the contract with ICMA-RC is based on the amount of the surrender charges: the Term would be seven (7) years for surrender charges between \$100,000 and \$140,000; six (6) years for surrender charges between \$70,000 and \$99,000; and five (5) years if the surrender charges are less than \$70,000. At the time of conversion VALIC assessed a 5% termination fee (surrender charges) which totaled \$94,600

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2013

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that was based on the past five years contributions to the participants accounts. ICMA-RC simultaneously reimbursed the participants their 5% onto their new ICMA-RC accounts. The Term of the contract with ICMA-RC based on the final assessed surrender charges of \$94,600 is six (6) years. Per the contract with ICMA-RC should the Employer terminate this agreement prior to the end of the initial six (6) year term for a reason other than for cause (ICMA-RC materially breached the Agreement), the Employer shall be responsible for reimbursement to ICMA-RC of CDSC charges (surrender charges) based on a decreasing rate from \$94,600 in year one (1) to no surrender charge after year six (6).

The former City Manager had her own separate pension plan, a Defined Contribution Pension Plan with ICMA. There was no vesting schedule with this Plan, the City Manager was fully vested. The former City Manager resigned in FY 2008 and no longer receives City contributions.

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, 2013, 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 assets available for benefits.

<u>Asset Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
Vantagepoint Milestone 2020 Fund	44,699	\$ 693,288
Vantagepoint Milestone 2030 Fund	41,646	669,249
Vantagepoint MP Cons Growth	17,884	464,086
Vantagepoint MP Trad Growth	18,571	531,141
Vantagepoint MP Lng-Trm Gth	32,323	1,011,375
PIMCO Total Return	26,546	503,573

#### **H. Subsequent Events**

On August 17, 2013 a major 24 inch sewer line that goes underneath Safford Avenue broke. At September 30, 2013, actual expenses of \$252,138 have been incurred. A preliminary estimate was provided at the beginning of the project; however, once repairs started, occurrences took place which caused additional repairs to be needed. At this time, the impact of the repairs is

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements**  
**September 30, 2013**

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undeterminable; however, the City conservatively reserved funds in the amount of \$1,597,862, based on the preliminary estimate provided.

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

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

Schedule of Funding Progress

Schedule of Contributions from the Employer and other Contributing Entities

**Other Post-Employment Benefits**

Schedule of Employer Contributions

Schedule of Funding Progress



**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF FUNDING PROGRESS**  
**POLICE OFFICERS AND FIREFIGHTERS PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>Police Officers</b>						
October 1, 2008	\$ 15,857,790	\$ 18,267,885	\$ 2,410,095	86.81%	\$ 2,949,048	81.72%
October 1, 2009	16,384,856	19,483,787	3,098,931	84.09%	2,970,577	104.32%
October 1, 2010	16,931,779	20,053,386	3,121,607	84.43%	2,848,631	109.58%
October 1, 2011	16,944,550	20,451,109	3,506,559	82.85%	2,978,435	117.73%
October 1, 2012	18,681,939	21,587,327	2,905,388	86.54%	3,011,319	96.48%
October 1, 2013	20,223,847	22,020,775	1,796,928	91.84%	3,073,654	58.46%
<b>Firefighters</b>						
October 1, 2008	15,086,705	18,240,756	3,154,051	82.71%	2,067,886	152.53%
October 1, 2009	15,638,777	19,366,190	3,727,413	80.75%	2,029,499	183.66%
October 1, 2010	16,017,880	20,223,678	4,205,798	79.20%	1,882,779	223.38%
October 1, 2011	15,596,902	21,270,035	5,673,133	73.33%	1,851,023	306.49%
October 1, 2012	16,917,877	22,596,979	5,679,102	74.87%	1,925,918	294.88%
October 1, 2013	18,073,950	23,121,262	5,047,312	78.17%	1,759,569	286.85%

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER AND**  
**OTHER CONTRIBUTING ENTITIES**  
**POLICE OFFICERS AND FIREFIGHTERS PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2013**

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<u>Year Ended September 30</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>State Contribution</u>	<u>Total Contribution</u>	<u>Percentage Contributed</u>
<b>Police Officers</b>					
2008	\$ 548,066	\$ 352,630	\$ 195,436	\$ 548,066	100.00%
2009	511,748	312,000	199,748	511,748	100.00%
2010	555,174	360,560	194,614	555,174	100.00%
2011	580,441	393,395	187,045	580,440	100.00%
2012	656,113	463,557	192,556	656,113	100.00%
2013	778,243	579,733	198,510	778,243	100.00%
<b>Firefighters</b>					
2008	497,943	259,514	238,429 *	497,943	100.00%
2009	526,241	287,812	238,429 *	526,241	100.00%
2010	494,771	256,342	238,429 *	494,771	100.00%
2011	573,031	360,795	212,236	573,031	100.00%
2012	682,554	463,470	219,084	682,554	100.00%
2013	945,733	710,690	235,043	945,733	100.00%

\* Frozen per Chapter 175, Florida Statutes, as amended.

**CITY OF TARPON SPRINGS, FLORIDA  
OTHER POST-EMPLOYMENT BENEFITS  
SEPTEMBER 30, 2013**

**Schedule of Employer Contributions:**

<u>Year Ended</u>	<u>Annual Required Contributions</u>	<u>Estimated Contributions</u>	<u>Percentage Contributed</u>
September 30, 2011	\$ 121,000	\$ 56,000	46.3%
September 30, 2012	128,000	72,000	56.3%
September 30, 2013	97,300	43,600	44.8%

**Schedule of Funding Progress:**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
October 1, 2010	\$ -	\$ 1,247,000	\$ 1,247,000	0.00%	\$ 12,732,829	9.79%
October 1, 2011	-	1,325,000	1,325,000	0.00%	12,695,934	10.44%
October 1, 2012	-	1,036,000	1,036,000	0.00%	12,252,873	8.46%

# ***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 library cooperative, employee benefit cost deferral, and public art program.

### **Capital Projects Funds:**

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

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

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

## **Major Governmental Fund**

### **Capital Projects Fund:**

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

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 322,906	\$ 723,445	\$ -	\$ 135,436	\$ 274,039	\$ 1,455,826
Investments	-	1,145,611	-	179,264	261,853	1,586,728
Due from other governments	27,788	-	222,862	-	-	250,650
Prepaid items	-	-	-	-	65	65
Total Assets	<u>\$ 350,694</u>	<u>\$ 1,869,056</u>	<u>\$ 222,862</u>	<u>\$ 314,700</u>	<u>\$ 535,957</u>	<u>\$ 3,293,269</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 42,299	\$ 9,064	\$ 6,784	\$ 2,527	\$ 60,674
Accrued liabilities	-	-	-	-	1,722	1,722
Due to other fund (deficit in pooled cash)	-	-	186,230	-	-	186,230
Total Liabilities	<u>-</u>	<u>42,299</u>	<u>195,294</u>	<u>6,784</u>	<u>4,249</u>	<u>248,626</u>
Fund Balances:						
Nonspendable:						
Prepaid items	-	-	-	-	65	65
Street and sidewalk principal, nonexpendable	-	-	-	-	-	-
Restricted for:						
Transportation	350,694	-	-	-	-	350,694
Capital projects - impact fee programs	-	1,826,757	-	-	-	1,826,757
Law enforcement programs	-	-	-	307,916	-	307,916
Library	-	-	-	-	73,991	73,991
Public art program	-	-	-	-	26,095	26,095
Physical environment	-	-	56,908	-	-	56,908
Committed to:						
Employee benefit cost deferral	-	-	-	-	431,557	431,557
Unassigned:	-	-	(29,340)	-	-	(29,340)
Total Fund Balances	<u>350,694</u>	<u>1,826,757</u>	<u>27,568</u>	<u>307,916</u>	<u>531,708</u>	<u>3,044,643</u>
Total Liabilities and Fund Balances	<u>\$ 350,694</u>	<u>\$ 1,869,056</u>	<u>\$ 222,862</u>	<u>\$ 314,700</u>	<u>\$ 535,957</u>	<u>\$ 3,293,269</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ 279,784	\$ 21,547	\$ 301,331	\$ 1,757,157
100,000	2,001,683	2,101,683	3,688,411
-	-	-	250,650
-	-	-	65
<u>\$ 379,784</u>	<u>\$ 2,023,230</u>	<u>\$ 2,403,014</u>	<u>\$ 5,696,283</u>
\$ 15,659	\$ -	\$ 15,659	\$ 76,333
-	-	-	1,722
-	-	-	186,230
<u>15,659</u>	<u>-</u>	<u>15,659</u>	<u>264,285</u>
-	-	-	65
-	2,000,000	2,000,000	2,000,000
364,125	23,230	387,355	738,049
-	-	-	1,826,757
-	-	-	307,916
-	-	-	73,991
-	-	-	26,095
-	-	-	56,908
-	-	-	431,557
-	-	-	(29,340)
<u>364,125</u>	<u>2,023,230</u>	<u>2,387,355</u>	<u>5,431,998</u>
<u>\$ 379,784</u>	<u>\$ 2,023,230</u>	<u>\$ 2,403,014</u>	<u>\$ 5,696,283</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, 2013**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
Revenues:						
Taxes	\$ 301,086	\$ -	\$ -	\$ -	\$ -	\$ 301,086
Permits and fees	-	367,184	-	-	-	367,184
Intergovernmental	-	-	356,545	101,074	178,574	636,193
Fines and forfeitures	-	-	-	20,099	-	20,099
Other	983	3,551	56	811	2,871	8,272
Total Revenues	<u>302,069</u>	<u>370,735</u>	<u>356,601</u>	<u>121,984</u>	<u>181,445</u>	<u>1,332,834</u>
Expenditures:						
Current:						
Public Safety:						
Police	-	-	18,820	105,014	-	123,834
Physical Environment:						
Other	-	-	4,324	-	-	4,324
Culture and Recreation:						
Other	-	-	83,763	-	184,577	268,340
Capital Outlay	-	46,962	245,048	74,247	-	366,257
Total Expenditures	<u>-</u>	<u>46,962</u>	<u>351,955</u>	<u>179,261</u>	<u>184,577</u>	<u>762,755</u>
Excess of Revenues Over (Under) Expenditures	<u>302,069</u>	<u>323,773</u>	<u>4,646</u>	<u>(57,277)</u>	<u>(3,132)</u>	<u>570,079</u>
Other Financing Sources (Uses):						
Transfers in	-	-	10,754	-	763	11,517
Transfers out	(366,000)	-	-	-	-	(366,000)
Total Other Financing Sources (Uses)	<u>(366,000)</u>	<u>-</u>	<u>10,754</u>	<u>-</u>	<u>763</u>	<u>(354,483)</u>
Net Change in Fund Balances	(63,931)	323,773	15,400	(57,277)	(2,369)	215,596
Fund Balances - Beginning of Year	<u>414,625</u>	<u>1,502,984</u>	<u>12,168</u>	<u>365,193</u>	<u>534,077</u>	<u>2,829,047</u>
Fund Balances - End of Year	<u>\$ 350,694</u>	<u>\$ 1,826,757</u>	<u>\$ 27,568</u>	<u>\$ 307,916</u>	<u>\$ 531,708</u>	<u>\$ 3,044,643</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ -	\$ -	\$ -	\$ 301,086
-	-	-	367,184
-	-	-	636,193
-	-	-	20,099
638	7,400	8,038	16,310
638	7,400	8,038	1,340,872
-	-	-	123,834
-	-	-	4,324
-	-	-	268,340
133,225	-	133,225	499,482
133,225	-	133,225	895,980
(132,587)	7,400	(125,187)	444,892
206,000	-	206,000	217,517
-	(40,000)	(40,000)	(406,000)
206,000	(40,000)	166,000	(188,483)
73,413	(32,600)	40,813	256,409
290,712	2,055,830	2,346,542	5,175,589
\$ 364,125	\$ 2,023,230	\$ 2,387,355	\$ 5,431,998



**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 295,000	\$ 295,000	\$ 301,086	\$ 6,086
Other	800	800	983	183
Total Revenues	<u>295,800</u>	<u>295,800</u>	<u>302,069</u>	<u>6,269</u>
Other Financing Uses:				
Transfers out	<u>(366,000)</u>	<u>(366,000)</u>	<u>(366,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(366,000)</u>	<u>(366,000)</u>	<u>(366,000)</u>	<u>-</u>
Net Change in Fund Balances	(70,200)	(70,200)	(63,931)	6,269
Fund Balances - Beginning of Year	<u>414,625</u>	<u>414,625</u>	<u>414,625</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 344,425</u>	<u>\$ 344,425</u>	<u>\$ 350,694</u>	<u>\$ 6,269</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Permits and Fees	\$ 43,827	\$ 45,744	\$ 367,184	\$ 321,440
Other	993	993	3,551	2,558
<b>Total Revenues</b>	<b>44,820</b>	<b>46,737</b>	<b>370,735</b>	<b>323,998</b>
<b>Expenditures:</b>				
Capital Outlay	1,401,203	1,235,112	46,962	1,188,150
<b>Total Expenditures</b>	<b>1,401,203</b>	<b>1,235,112</b>	<b>46,962</b>	<b>1,188,150</b>
<b>Net Change in Fund Balances</b>	<b>(1,356,383)</b>	<b>(1,188,375)</b>	<b>323,773</b>	<b>1,512,148</b>
<b>Fund Balances - Beginning of Year</b>	<b>1,502,984</b>	<b>1,502,984</b>	<b>1,502,984</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 146,601</b>	<b>\$ 314,609</b>	<b>\$ 1,826,757</b>	<b>\$ 1,512,148</b>

**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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 76,585	\$ 350,405	\$ 356,545	\$ 6,140
Other	-	-	56	56
Total Revenues	<u>76,585</u>	<u>350,405</u>	<u>356,601</u>	<u>6,196</u>
Expenditures:				
Current:				
Public Safety:				
Police	-	18,820	18,820	-
Physical Environment:				
Other	-	4,324	4,324	-
Culture/Recreation:				
Other	86,585	103,085	83,763	19,322
Capital Outlay	<u>46,500</u>	<u>282,413</u>	<u>245,048</u>	<u>37,365</u>
Total Expenditures	<u>133,085</u>	<u>408,642</u>	<u>351,955</u>	<u>56,687</u>
Excess of Revenues Over (Under) Expenditures	<u>(56,500)</u>	<u>(58,237)</u>	<u>4,646</u>	<u>62,883</u>
Other Financing Sources:				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,754</u>	<u>754</u>
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>10,754</u>	<u>754</u>
Net Change in Fund Balances	(46,500)	(48,237)	15,400	63,637
Fund Balances - Beginning of Year	<u>12,168</u>	<u>12,168</u>	<u>12,168</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ (34,332)</u>	<u>\$ (36,069)</u>	<u>\$ 27,568</u>	<u>\$ 63,637</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 101,074	\$ 101,074
Fines and forfeitures	1,500	1,500	20,099	18,599
Other	-	-	811	811
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>121,984</u>	<u>120,484</u>
<b>Expenditures:</b>				
Current:				
Public Safety:				
Police	129,250	113,910	105,014	8,896
Capital Outlay	<u>39,000</u>	<u>76,614</u>	<u>74,247</u>	<u>2,367</u>
Total Expenditures	<u>168,250</u>	<u>190,524</u>	<u>179,261</u>	<u>11,263</u>
Net Change in Fund Balances	(166,750)	(189,024)	(57,277)	131,747
Fund Balances - Beginning of Year	<u>365,193</u>	<u>365,193</u>	<u>365,193</u>	-
Fund Balances - End of Year	<u>\$ 198,443</u>	<u>\$ 176,169</u>	<u>\$ 307,916</u>	<u>\$ 131,747</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 178,667	\$ 180,405	\$ 178,574	\$ (1,831)
Other	25,925	25,925	2,871	(23,054)
Total Revenues	<u>204,592</u>	<u>206,330</u>	<u>181,445</u>	<u>(24,885)</u>
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	188,474	190,462	184,577	5,885
Capital Outlay	<u>24,425</u>	<u>24,175</u>	<u>-</u>	<u>24,175</u>
Total Expenditures	<u>232,899</u>	<u>234,637</u>	<u>184,577</u>	<u>50,060</u>
Excess of Revenues Under Expenditures	<u>(28,307)</u>	<u>(28,307)</u>	<u>(3,132)</u>	<u>25,175</u>
Other Financing Sources:				
Transfers in	<u>763</u>	<u>763</u>	<u>763</u>	<u>-</u>
Total Other Financing Sources	<u>763</u>	<u>763</u>	<u>763</u>	<u>-</u>
Net Change in Fund Balances	(27,544)	(27,544)	(2,369)	25,175
Fund Balances - Beginning of Year	<u>534,077</u>	<u>534,077</u>	<u>534,077</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 506,533</u>	<u>\$ 506,533</u>	<u>\$ 531,708</u>	<u>\$ 25,175</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other	\$ -	\$ -	\$ 638	\$ 638
Total Revenues	-	-	638	638
<b>Expenditures:</b>				
Capital Outlay	300,000	338,053	133,225	204,828
Total Expenditures	300,000	338,053	133,225	204,828
Excess of Revenues Under Expenditures	(300,000)	(338,053)	(132,587)	205,466
<b>Other Financing Sources:</b>				
Transfers in	206,000	206,000	206,000	-
Total Other Financing Sources	206,000	206,000	206,000	-
Net Change in Fund Balances	(94,000)	(132,053)	73,413	205,466
Fund Balances - Beginning of Year	290,712	290,712	290,712	-
Fund Balances - End of Year	<u>\$ 196,712</u>	<u>\$ 158,659</u>	<u>\$ 364,125</u>	<u>\$ 205,466</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL INVESTMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 19,000	\$ 19,000	\$ 7,400	\$ (11,600)
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>7,400</u>	<u>(11,600)</u>
Other Financing Uses:				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net Change in Fund Balances	(21,000)	(21,000)	(32,600)	(11,600)
Fund Balances - Beginning of Year	<u>2,055,830</u>	<u>2,055,830</u>	<u>2,055,830</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,034,830</u>	<u>\$ 2,034,830</u>	<u>\$ 2,023,230</u>	<u>\$ (11,600)</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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,690,000	\$ 1,690,000	\$ 1,862,505	\$ 172,505
Intergovernmental	-	497,425	497,425	-
Other	4,500	4,500	8,412	3,912
<b>Total Revenues</b>	<b>1,694,500</b>	<b>2,191,925</b>	<b>2,368,342</b>	<b>176,417</b>
<b>Expenditures:</b>				
Capital Outlay	3,929,110	4,923,733	2,959,975	1,963,758
Debt Service	149,115	149,115	149,114	1
<b>Total Expenditures</b>	<b>4,078,225</b>	<b>5,072,848</b>	<b>3,109,089</b>	<b>1,963,759</b>
<b>Net Change in Fund Balances</b>	<b>(2,383,725)</b>	<b>(2,880,923)</b>	<b>(740,747)</b>	<b>2,140,176</b>
<b>Fund Balances - Beginning of Year</b>	<b>7,375,429</b>	<b>7,375,429</b>	<b>7,375,429</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 4,991,704</b>	<b>\$ 4,494,506</b>	<b>\$ 6,634,682</b>	<b>\$ 2,140,176</b>



## ***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, 2013**

	Storm Water	Marina	Golf Course	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 703,731	\$ 87,386	\$ -	\$ 791,117
Investments	1,597,283	50,000	-	1,647,283
Receivables:				
Interest	1,440	84	-	1,524
Accounts - billed (net)	104,598	-	-	104,598
Accounts - unbilled	38,718	-	-	38,718
Inventories	-	-	26,495	26,495
Prepaid items	2,759	1,183	9,273	13,215
Total Current Assets	<u>2,448,529</u>	<u>138,653</u>	<u>35,768</u>	<u>2,622,950</u>
Non-Current Assets:				
Capital Assets:				
Land and land rights	77,835	400	51,356	129,591
Buildings and improvements	3,993	25,388	468,792	498,173
Improvements other than buildings	1,668,731	621,835	973,214	3,263,780
Machinery and equipment	1,339,264	1,395	51,970	1,392,629
Accumulated depreciation	(1,064,635)	(482,457)	(712,957)	(2,260,049)
Construction in progress	1,170,431	-	1,554	1,171,985
Total Non-Current Assets	<u>3,195,619</u>	<u>166,561</u>	<u>833,929</u>	<u>4,196,109</u>
Total Assets	<u>5,644,148</u>	<u>305,214</u>	<u>869,697</u>	<u>6,819,059</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	77,997	918	95,275	174,190
Accrued liabilities	2,738	474	2,812	6,024
Due to other fund (deficit in pooled cash)	-	-	413,991	413,991
Advance from other fund	-	-	214,987	214,987
Customer deposits	-	2,245	-	2,245
Compensated absences	330	-	769	1,099
Unavailable revenue	-	-	6,124	6,124
Total Current Liabilities	<u>81,065</u>	<u>3,637</u>	<u>733,958</u>	<u>818,660</u>
Non-Current Liabilities:				
Other postemployment benefits	8,494	-	4,503	12,997
Compensated absences	10,198	-	28,638	38,836
Total Non-Current Liabilities	<u>18,692</u>	<u>-</u>	<u>33,141</u>	<u>51,833</u>
Total Liabilities	<u>99,757</u>	<u>3,637</u>	<u>767,099</u>	<u>870,493</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,195,619	166,561	833,929	4,196,109
Restricted:				
Other contractual obligations	2,759	1,183	35,768	39,710
Unrestricted (deficit)	2,346,013	133,833	(767,099)	1,712,747
Total Net Position	<u>\$ 5,544,391</u>	<u>\$ 301,577</u>	<u>\$ 102,598</u>	<u>\$ 5,948,566</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, 2013**

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,111,350	\$ 50,224	\$ 1,400,307	\$ 2,561,881
Other	1,484	460	13,328	15,272
Total Operating Revenues	1,112,834	50,684	1,413,635	2,577,153
Operating Expenses:				
Personnel services	300,969	43,338	322,386	666,693
Contractual services	155,569	15,103	607,992	778,664
Supplies	87,972	1,770	167,437	257,179
Repairs and maintenance	72,820	-	13,361	86,181
Utilities	2,849	11,829	60,442	75,120
Depreciation	139,468	16,526	50,881	206,875
Total Operating Expenses	759,647	88,566	1,222,499	2,070,712
Operating Income (Loss)	353,187	(37,882)	191,136	506,441
Non-Operating Revenues (Expenses):				
Investment income	8,543	244	-	8,787
Net change in fair value of investments	(3,130)	-	-	(3,130)
Intergovernmental - operating grants	11,218	-	-	11,218
Other	(4,957)	-	40,964	36,007
Total Non-Operating Revenues (Expenses)	11,674	244	40,964	52,882
Income (Loss) before Transfers	364,861	(37,638)	232,100	559,323
Transfers in	1,070	1,668	10,037	12,775
Transfers out	(108,664)	-	(134,740)	(243,404)
	(107,594)	1,668	(124,703)	(230,629)
Change in Net Position	257,267	(35,970)	107,397	328,694
Net Position - Beginning of Year	5,287,124	337,547	(4,799)	5,619,872
Net Position - End of Year	\$ 5,544,391	\$ 301,577	\$ 102,598	\$ 5,948,566

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,116,607	\$ 51,512	\$ 1,415,901	\$ 2,584,020
Cash payments to suppliers	(360,623)	(27,321)	(854,748)	(1,242,692)
Cash payments to employees	(294,550)	(43,174)	(322,274)	(659,998)
Other	(4,957)	-	40,964	36,007
Net cash provided (used) by operating activities	<u>456,477</u>	<u>(18,983)</u>	<u>279,843</u>	<u>717,337</u>
Cash flows from noncapital financing activities:				
Transfers in	1,070	1,668	10,037	12,775
Transfers out	(108,664)	-	(134,740)	(243,404)
Intergovernmental - operating grants	11,218	-	-	11,218
Advance from other fund	-	-	(86,652)	(86,652)
Payment of cash on loans to/from other funds	-	-	(53,164)	(53,164)
Net cash provided (used) by noncapital financing activities	<u>(96,376)</u>	<u>1,668</u>	<u>(264,519)</u>	<u>(359,227)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	<u>(1,590,700)</u>	<u>-</u>	<u>(15,324)</u>	<u>(1,606,024)</u>
Net cash used for capital and related financing activities	<u>(1,590,700)</u>	<u>-</u>	<u>(15,324)</u>	<u>(1,606,024)</u>
Cash flows from investing activities:				
Interest on investments	8,543	244	-	8,787
Proceeds of investment sales & maturities	1,850,000	50,000	-	1,900,000
Purchase of investments	<u>(1,600,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(1,650,000)</u>
Net cash provided by investing activities	<u>258,543</u>	<u>244</u>	<u>-</u>	<u>258,787</u>
Net decrease in cash and cash equivalents	<u>(972,056)</u>	<u>(17,071)</u>	<u>-</u>	<u>(989,127)</u>
Cash and cash equivalents at beginning of year	<u>1,675,787</u>	<u>104,457</u>	<u>-</u>	<u>1,780,244</u>
Cash and cash equivalents at end of year	<u>\$ 703,731</u>	<u>\$ 87,386</u>	<u>\$ -</u>	<u>\$ 791,117</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	\$ 703,731	\$ 87,386	\$ -	\$ 791,117

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Storm Water	Marina	Golf Course	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 353,187	\$ (37,882)	\$ 191,136	\$ 506,441
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	(4,957)	-	40,964	36,007
Depreciation expense	139,468	16,526	50,881	206,875
Change in assets and liabilities:				
(Increase) decrease in accounts receivable - interest	(381)	36	-	(345)
Decrease in accounts receivable - billed (net)	2,387	792	-	3,179
Decrease in unbilled accounts receivable	1,767	-	-	1,767
Decrease in inventories	-	-	373	373
Increase in prepaid items	(188)	(37)	(925)	(1,150)
Increase (decrease) in accounts and contracts payable	(41,225)	613	(4,964)	(45,576)
Increase in accrued liabilities	982	164	676	1,822
Increase in unavailable revenue	-	-	2,266	2,266
Increase in customer deposits	-	805	-	805
Increase in other postemployment benefits	2,818	-	897	3,715
Increase (decrease) in compensated absences	2,619	-	(1,461)	1,158
Total adjustments	103,290	18,899	88,707	210,896
Net cash provided (used) by operating activities	\$ 456,477	\$ (18,983)	\$ 279,843	\$ 717,337

## ***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, 2013**

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 325,218	\$ 38,818	\$ 364,036
Investments	-	2,547,640	2,547,640
Accounts receivable - interest	-	1,562	1,562
Inventories	36,991	-	36,991
Prepaid items	2,733	-	2,733
Total Current Assets	364,942	2,588,020	2,952,962
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	150,423	-	150,423
Machinery and equipment	63,879	20,312	84,191
Accumulated depreciation	(139,444)	(7,471)	(146,915)
Construction in progress	43,076	-	43,076
Total Non-Current Assets	162,690	12,841	175,531
Total Assets	527,632	2,600,861	3,128,493
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	55,525	878	56,403
Accrued liabilities	2,144	-	2,144
Claims payable	-	9,814	9,814
Compensated absences	2,393	-	2,393
Unavailable revenue	-	7,932	7,932
Total Current Liabilities	60,062	18,624	78,686
Non-Current Liabilities:			
Claims payable	-	161,253	161,253
Other postemployment benefits	5,750	-	5,750
Compensated absences	11,537	-	11,537
Total Non-Current Liabilities	17,287	161,253	178,540
Total Liabilities	77,349	179,877	257,226
<b>NET POSITION</b>			
Net investment in capital assets	162,690	12,841	175,531
Restricted for:			
Other contractual obligations	39,724	-	39,724
Unrestricted	247,869	2,408,143	2,656,012
Total Net Position	\$ 450,283	\$ 2,420,984	\$ 2,871,267

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,061,803	\$ 417,759	\$ 1,479,562
Other	975	-	975
Total Operating Revenues	1,062,778	417,759	1,480,537
Operating Expenses:			
Personnel services	236,775	-	236,775
Contractual services	9,688	600	10,288
Supplies	483,150	-	483,150
Repairs and maintenance	291,935	-	291,935
Utilities	468	-	468
Claims	-	122,870	122,870
Insurance	-	440,980	440,980
Depreciation	18,292	1,898	20,190
Total Operating Expenses	1,040,308	566,348	1,606,656
Operating Income (Loss)	22,470	(148,589)	(126,119)
Non-Operating Revenues:			
Investment income	331	11,446	11,777
Net change in fair value of investments	-	(4,036)	(4,036)
Total Non-Operating Revenues	331	7,410	7,741
Income (Loss) before Transfers	22,801	(141,179)	(118,378)
Transfers in	2,606	-	2,606
Transfers out	-	(218,274)	(218,274)
	2,606	(218,274)	(215,668)
Change in Net Position	25,407	(359,453)	(334,046)
Net Position - Beginning of Year	424,876	2,780,437	3,205,313
Net Position - End of Year	\$ 450,283	\$ 2,420,984	\$ 2,871,267



**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,062,778	\$ 426,112	\$ 1,488,890
Cash payments to suppliers	(749,339)	(551,647)	(1,300,986)
Cash payments to employees	(232,837)	-	(232,837)
Net cash provided (used) by operating activities	80,602	(125,535)	(44,933)
Cash flows from noncapital financing activities:			
Transfers in	2,606	-	2,606
Transfers out	-	(218,274)	(218,274)
Net cash provided (used) by noncapital financing activities	2,606	(218,274)	(215,668)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(66,287)	(12,712)	(78,999)
Net cash used by capital and related financing activities	(66,287)	(12,712)	(78,999)
Cash flows from investing activities:			
Interest on investments	331	11,446	11,777
Proceeds of investment sales & maturities	-	1,050,000	1,050,000
Purchase of investments	-	(1,050,000)	(1,050,000)
Net cash provided by investing activities	331	11,446	11,777
Net increase (decrease) in cash and cash equivalents	17,252	(345,075)	(327,823)
Cash and cash equivalents at beginning of year	307,966	383,893	691,859
Cash and cash equivalents at end of year	\$ 325,218	\$ 38,818	\$ 364,036
Cash and cash equivalents classified as:			
Cash and cash equivalents	\$ 325,218	\$ 38,818	\$ 364,036
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 22,470	\$ (148,589)	\$ (126,119)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	18,292	1,898	20,190
Change in assets and liabilities:			
Decrease in accounts receivable-interest	-	421	421
Decrease in inventories	8,773	-	8,773
(Increase) decrease in prepaid items	(265)	4,986	4,721
Increase in accounts payable	27,394	878	28,272
Increase in accrued liabilities	758	-	758
Increase in claims payable	-	6,939	6,939
Increase in unavailable revenue	-	7,932	7,932
Increase in other postemployment benefits	1,754	-	1,754
Increase in compensated absences	1,426	-	1,426
Total adjustments	58,132	23,054	81,186
Net cash provided (used) by operating activities	\$ 80,602	\$ (125,535)	\$ (44,933)

## ***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.

**Radon Gas / Building Code Fund** - This fund is used to account for state required fees charged to builders which are remitted to the State to cover radon gas testing and building code.

**Transportation Impact Fee Fund** - This fund is used to account for one-half of impact fees charged to builders and remitted to Pinellas County.

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2013**

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
<b>Assets</b>				
Cash and cash equivalents	\$ 390,013	\$ 1,356,592	\$ -	\$ 1,746,605
Accounts receivable	-	155,448	13,615	169,063
Interest receivable	69,100	43,863	-	112,963
Prepaid items	-	-	2,885	2,885
Investments, at fair value:				
U.S. Government Securities	4,262,769	1,340,476	-	5,603,245
Equities Common Stock	11,106,256	11,065,146	-	22,171,402
Mutual Funds	2,202,200	-	8,437,077	10,639,277
Corporate Bonds	3,310,066	3,827,377	-	7,137,443
Real Estate	-	1,563,589	-	1,563,589
Total Investments	<u>20,881,291</u>	<u>17,796,588</u>	<u>8,437,077</u>	<u>47,114,956</u>
Total Assets	<u>21,340,404</u>	<u>19,352,491</u>	<u>8,453,577</u>	<u>49,146,472</u>
<b>Liabilities</b>				
Accounts payable	-	224,842	2,375	227,217
Total Liabilities	<u>-</u>	<u>224,842</u>	<u>2,375</u>	<u>227,217</u>
<b>Net Position</b>				
Held in Trust for Pension Benefits	<u>\$ 21,340,404</u>	<u>\$ 19,127,649</u>	<u>\$ 8,451,202</u>	<u>\$ 48,919,255</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Employee Retirement Funds			
	Defined Benefit		Defined	Total
	Police Officers Pension	Firefighters Pension	Contribution Plans	
			General Employees Pensions	
<b>Additions:</b>				
Contributions:				
Employer	\$ 603,936	\$ 679,717	\$ 619,116	\$ 1,902,769
Plan members	248,576	164,853	163,819	577,248
State of Florida	198,510	251,164	-	449,674
Total Contributions	<u>1,051,022</u>	<u>1,095,734</u>	<u>782,935</u>	<u>2,929,691</u>
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	1,618,459	1,964,685	839,279	4,422,423
Interest	327,290	136,385	19,142	482,817
Dividends	219,238	236,984	-	456,222
	<u>2,164,987</u>	<u>2,338,054</u>	<u>858,421</u>	<u>5,361,462</u>
Less Investment Expenses:				
Investment management fees	87,867	96,425	-	184,292
	<u>87,867</u>	<u>96,425</u>	<u>-</u>	<u>184,292</u>
Net Investment Income	<u>2,077,120</u>	<u>2,241,629</u>	<u>858,421</u>	<u>5,177,170</u>
Total Additions	<u>3,128,142</u>	<u>3,337,363</u>	<u>1,641,356</u>	<u>8,106,861</u>
<b>Deductions:</b>				
Benefits	1,083,461	1,328,432	283,366	2,695,259
Refunds of contributions	75,102	-	-	75,102
Administrative expense	40,182	60,926	13,378	114,486
Total Deductions	<u>1,198,745</u>	<u>1,389,358</u>	<u>296,744</u>	<u>2,884,847</u>
Change in Net Position	1,929,397	1,948,005	1,344,612	5,222,014
Net Position - Beginning of Year	<u>19,411,007</u>	<u>17,179,644</u>	<u>7,106,590</u>	<u>43,697,241</u>
Net Position - End of Year	<u>\$ 21,340,404</u>	<u>\$ 19,127,649</u>	<u>\$ 8,451,202</u>	<u>\$ 48,919,255</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Radon Gas		
	Balance October 1, 2012	Additions	Reductions
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>2,864</u>	\$ <u>12,224</u>	\$ <u>11,692</u>

			Balance September 30, 2013
<b>LIABILITIES</b>			
Due to other governments	\$ <u>2,864</u>	\$ <u>12,224</u>	\$ <u>11,692</u>

	Transportation Impact Fees		
	Balance October 1, 2012	Additions	Reductions
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>77,070</u>	\$ <u>106,091</u>	\$ <u>33,690</u>

			Balance September 30, 2013
<b>LIABILITIES</b>			
Due to other governments	\$ <u>77,070</u>	\$ <u>106,091</u>	\$ <u>33,690</u>

	Totals - All Agency Funds		
	Balance October 1, 2012	Additions	Reductions
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>79,934</u>	\$ <u>118,315</u>	\$ <u>45,382</u>

			Balance September 30, 2013
<b>LIABILITIES</b>			
Due to other governments	\$ <u>79,934</u>	\$ <u>118,315</u>	\$ <u>45,382</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, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 982,537	\$ 982,537	\$ -
Total Revenue	982,537	982,537	-
Expenditures:			
Salaries and Benefits	872,955	905,991	(33,036)
Operating Expenditures	109,582	88,753	20,829
Total Expenditures	982,537	994,744	(12,207)
Deficiency of Revenues Under Expenditures	\$ -	\$ (12,207)	\$ (12,207)
1 EMS Funding FY 12-13 Received by Contractor		\$ 982,537	
2 EMS Allowable Costs Incurred by Contractor		994,744	
3 Difference (If Excess Revenues) Due to Pinellas County		<u>(12,207)</u>	

**Reserve for Future Years:**

Beginning of Fiscal Year 10/1/2012	\$ -
Additions:	
Reserve funding FY 2013	-
Reductions:	
FY 2013 Budget	-
End of Fiscal Year - 9/30/2013	<u>\$ -</u>

**CITY OF TARPON SPRINGS, FLORIDA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE DISTRICT FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>General Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,095,114	\$ 3,017,273	\$ (77,841)
Tarpon Springs Fire District Funds	381,170	357,383	(23,787)
Total Revenues	<u>3,476,284</u>	<u>3,374,656</u>	<u>(101,628)</u>
Expenditures:			
Salaries and Benefits	2,933,136	2,851,371	81,765
Operating Expenditures	519,072	507,166	11,906
Capital Outlay	24,076	16,119	7,957
Total Expenditures	<u>3,476,284</u>	<u>3,374,656</u>	<u>101,628</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Revenue Fund - Fire Impacts</b>			
Revenues:			
Fire Impact Fees	\$ 4,172	\$ 46,270	\$ 42,098
Interest	500	431	(69)
Fire Impact - Carryover	140,000	-	(140,000)
Total Revenues	<u>144,672</u>	<u>46,701</u>	<u>(97,971)</u>
Expenditures:			
Capital Outlay	144,672	-	144,672
Total Expenditures	<u>144,672</u>	<u>-</u>	<u>144,672</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 46,701</u>	<u>\$ 46,701</u>
<b>Capital Project Fund</b>			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 213,727	\$ 73,055	\$ (140,672)
Total Revenues	<u>213,727</u>	<u>73,055</u>	<u>(140,672)</u>
Expenditures:			
Capital Outlay	205,612	64,940	140,672
Debt Service Interest - Fire Truck	8,115	8,115	-
Total Expenditures	<u>213,727</u>	<u>73,055</u>	<u>140,672</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Grand Total</b>			
Total Revenues	\$ 3,834,683	\$ 3,494,412	\$ (340,271)
Total Expenditures	<u>3,834,683</u>	<u>3,447,711</u>	<u>386,972</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 46,701</u>	<u>\$ 46,701</u>
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 3,447,711	
2 Less: Other Revenues Received by Contractor		<u>-</u>	
3 Total Outlay by Contractor		<u>3,447,711</u>	
4 Pinellas County Percentage of District		10.10%	
5 Total Pinellas County Share (3 times 4)		<u>348,219</u>	
6 Pinellas County Paid to Contractor			
Fire District Funding FY 2013, net of FY 2012 Overpayment		357,383	
Fire District Funding FY 2013, Reimbursement to County			
for FY 2012 Overpayment		<u>31,831</u>	
Total Pinellas County Paid to Contractor		<u>389,214</u>	
7 Total Due to Pinellas County (6 less 5)		\$ 40,995	
<b>Reserve for Future Years:</b>			
Beginning of Fiscal Year 10/1/2012	\$ 135,514		
Additions:			
Reserve funding FY 2013	34,818		
Reductions:			
	<u>-</u>		
End of Fiscal Year - 9/30/2013	<u>\$ 170,332</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, 2013
- 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)*

	<b>Fiscal Year</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Governmental activities:				
Net investment in capital assets	\$ 37,188,342	\$ 37,946,552	\$ 37,736,364	\$ 39,016,438
Restricted	10,544,831	10,860,866	13,076,123	13,569,645
Unrestricted	8,624,552	10,258,016	11,798,741	13,648,350
Total governmental activities				
net position	<u>\$ 56,357,725</u>	<u>\$ 59,065,434</u>	<u>\$ 62,611,228</u>	<u>\$ 66,234,433</u>
Business-type activities:				
Net investment in capital assets	\$ 16,635,953	\$ 17,963,934	\$ 18,705,194	\$ 20,367,137
Restricted	3,859,887	4,237,349	4,661,600	4,468,380
Unrestricted	8,825,302	9,264,511	11,168,369	12,088,334
Total business-type activities				
net position	<u>\$ 29,321,142</u>	<u>\$ 31,465,794</u>	<u>\$ 34,535,163</u>	<u>\$ 36,923,851</u>
Primary government:				
Net investment in capital assets	\$ 53,824,295	\$ 55,910,486	\$ 56,441,558	\$ 59,383,575
Restricted	14,404,718	15,098,215	17,737,723	18,038,025
Unrestricted	17,449,854	19,522,527	22,967,110	25,736,684
Total primary government				
net position	<u>\$ 85,678,867</u>	<u>\$ 90,531,228</u>	<u>\$ 97,146,391</u>	<u>\$ 103,158,284</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 40,154,559	\$ 40,672,112	\$ 41,281,743	\$ 42,581,135	\$ 42,653,653	\$ 44,380,440
14,103,319	13,113,128	13,322,303	12,914,081	12,896,516	12,423,712
14,374,903	17,358,272	18,530,274	19,466,009	19,615,271	18,237,353
<u>\$ 68,632,781</u>	<u>\$ 71,143,512</u>	<u>\$ 73,134,320</u>	<u>\$ 74,961,225</u>	<u>\$ 75,165,440</u>	<u>\$ 75,041,505</u>
\$ 22,499,445	\$ 24,561,610	\$ 26,067,196	\$ 26,751,911	\$ 30,787,409	\$ 33,033,440
3,940,536	3,531,319	3,686,103	4,283,180	2,986,956	8,244,803
12,092,799	12,467,175	11,617,680	12,354,958	14,259,417	10,623,313
<u>\$ 38,532,780</u>	<u>\$ 40,560,104</u>	<u>\$ 41,370,979</u>	<u>\$ 43,390,049</u>	<u>\$ 48,033,782</u>	<u>\$ 51,901,556</u>
\$ 62,654,004	\$ 65,233,722	\$ 67,348,939	\$ 69,333,046	\$ 73,441,062	\$ 77,413,880
18,043,855	16,644,447	17,008,406	17,197,261	15,883,472	20,668,515
26,467,702	29,825,447	30,147,954	31,820,967	33,874,688	28,860,666
<u>\$ 107,165,561</u>	<u>\$111,703,616</u>	<u>\$ 114,505,299</u>	<u>\$ 118,351,274</u>	<u>\$ 123,199,222</u>	<u>\$ 126,943,061</u>

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$ 2,672,510	\$ 2,751,525	\$ 2,925,108	\$ 3,147,383
Public safety	9,173,559	9,610,509	9,945,624	10,522,659
Physical environment	979,220	1,050,988	1,142,041	1,164,477
Transportation	1,968,973	2,026,616	2,038,187	2,153,470
Economic environment	90,268	91,481	170,308	226,684
Culture/recreation	3,551,229	3,746,087	3,739,062	3,903,443
Interest on long-term debt	55,000	83,780	74,293	63,583
Total governmental activities expenses	<u>18,490,759</u>	<u>19,360,986</u>	<u>20,034,623</u>	<u>21,181,699</u>
Business-type activities:				
Water/Sewer	8,216,367	8,535,242	8,834,231	9,578,521
Sanitation	3,228,001	4,215,355	3,451,813	5,404,705
Storm Water	354,209	420,808	407,122	515,663
Golf Course	1,176,144	1,177,216	1,209,816	1,232,950
Marina	80,121	81,159	81,136	87,026
Total business-type activities expenses	<u>13,054,842</u>	<u>14,429,780</u>	<u>13,984,118</u>	<u>16,818,865</u>
Total primary government expenses	<u>\$ 31,545,601</u>	<u>\$ 33,790,766</u>	<u>\$ 34,018,741</u>	<u>\$ 38,000,564</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 792,358	\$ 837,882	\$ 815,254	\$ 744,672
Public safety	1,856,385	2,149,087	1,989,975	1,767,905
Physical environment	475,152	157,225	235,625	206,983
Transportation	17,059	16,492	16,778	13,425
Culture/recreation	262,648	256,046	262,543	344,711
Operating grants and contributions	462,488	772,278	808,254	739,036
Capital grants and contributions	1,285,783	1,122,675	612,916	467,570
Total governmental activities program revenues	<u>5,151,873</u>	<u>5,311,685</u>	<u>4,741,345</u>	<u>4,284,302</u>
Business-type activities:				
Charges for services:				
Water/Sewer	8,391,509	9,106,252	9,969,469	10,409,561
Sanitation	3,461,441	3,704,726	3,780,675	5,950,190
Storm Water	1,069,193	1,065,379	1,092,017	1,111,836
Golf Course	1,371,906	1,453,588	1,536,822	1,575,508
Marina	65,247	69,809	68,077	68,373
Operating grants and contributions	-	680,181	333,797	-
Capital grants and contributions	947,544	1,016,491	508,937	216,312
Total business-type activities program revenues	<u>15,306,840</u>	<u>17,096,426</u>	<u>17,289,794</u>	<u>19,331,780</u>
Total primary government program revenues	<u>\$ 20,458,713</u>	<u>\$ 22,408,111</u>	<u>\$ 22,031,139</u>	<u>\$ 23,616,082</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 3,424,454	\$ 3,247,806	\$ 3,151,755	\$ 3,090,494	\$ 2,789,491	\$ 2,927,360
11,231,522	11,007,450	11,296,815	11,325,115	11,712,003	12,282,243
1,188,796	1,086,567	1,129,614	1,155,888	1,240,584	1,177,133
2,140,625	2,154,244	2,130,186	2,077,166	2,116,119	2,200,491
120,911	182,489	361,444	230,382	365,584	466,831
4,043,603	3,968,052	3,862,643	3,780,449	3,899,214	3,901,603
52,844	25,011	23,373	16,841	12,542	8,114
22,202,755	21,671,619	21,955,830	21,676,335	22,135,537	22,963,775
9,740,837	9,639,797	9,681,751	9,407,340	9,348,746	11,139,707
5,124,329	4,931,648	4,877,167	4,888,177	3,701,551	3,705,989
595,846	679,599	814,746	656,883	687,356	764,604
1,249,106	1,230,148	1,185,149	1,178,261	1,217,951	1,222,499
92,358	91,013	94,279	96,211	84,547	88,566
16,802,476	16,572,205	16,653,092	16,226,872	15,040,151	16,921,365
\$ 39,005,231	\$ 38,243,824	\$ 38,608,922	\$ 37,903,207	\$ 37,175,688	\$ 39,885,140
\$ 655,871	\$ 507,018	\$ 530,030	\$ 526,133	\$ 545,215	\$ 630,026
1,944,316	1,854,563	2,121,388	2,094,293	1,868,326	2,109,951
186,229	196,589	111,909	218,822	169,750	177,515
13,154	9,288	-	-	-	-
346,256	374,944	376,447	352,600	374,117	378,345
753,292	554,398	890,126	752,469	604,223	632,434
767,599	510,046	730,133	877,714	160,702	1,103,109
4,666,717	4,006,846	4,760,033	4,822,031	3,722,333	5,031,380
10,305,918	10,315,485	10,277,658	10,987,035	11,698,218	12,656,837
5,484,602	5,263,508	5,170,267	5,089,668	4,031,733	4,108,504
1,095,245	990,438	1,106,548	1,103,375	1,106,378	1,112,834
1,407,793	1,367,577	1,246,668	1,297,338	1,363,095	1,454,599
65,505	65,828	71,609	68,882	45,235	50,684
-	-	-	-	44,988	13,469
501,676	844,387	164,608	425,317	2,116,009	2,259,507
18,860,739	18,847,223	18,037,358	18,971,615	20,405,656	21,656,434
\$ 23,527,456	\$ 22,854,069	\$ 22,797,391	\$ 23,793,646	\$ 24,127,989	\$ 26,687,814

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (13,338,886)	\$ (14,049,301)	\$ (15,293,278)	\$ (16,897,397)
Business-type activities	2,251,998	2,666,646	3,305,676	2,512,915
Total primary government net expense	<u>\$ (11,086,888)</u>	<u>\$ (11,382,655)</u>	<u>\$ (11,987,602)</u>	<u>\$ (14,384,482)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property	\$ 5,438,418	\$ 6,114,357	\$ 6,918,016	\$ 8,112,444
Property - TIF	75,969	114,208	167,785	231,462
Franchise fees (A)	1,299,617	1,490,189	1,745,510	1,730,658
Utility	1,920,503	2,024,947	2,162,797	2,227,055
Communication service	1,207,913	1,249,521	1,237,585	1,239,970
Half-cent sales	1,255,010	1,307,030	1,358,132	1,318,498
Local option gas	176,322	178,033	178,776	171,320
Local option sales	1,709,954	1,896,891	1,947,447	1,891,820
Local business (A)	-	-	-	-
Other	55,822	57,077	55,324	55,983
Franchise fees (A)	-	-	-	-
State revenue sharing	584,362	719,950	740,248	726,052
Investment income	361,881	532,015	1,273,311	1,781,454
Miscellaneous	186,813	246,092	227,441	193,986
Transfers	806,700	826,700	826,700	839,900
Total governmental activities	<u>15,079,284</u>	<u>16,757,010</u>	<u>18,839,072</u>	<u>20,520,602</u>
Business-type activities:				
Investment income	201,387	304,706	590,393	715,673
Transfers	(806,700)	(826,700)	(826,700)	(839,900)
Total business-type activities	<u>(605,313)</u>	<u>(521,994)</u>	<u>(236,307)</u>	<u>(124,227)</u>
Total primary government	<u>\$ 14,473,971</u>	<u>\$ 16,235,016</u>	<u>\$ 18,602,765</u>	<u>\$ 20,396,375</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,740,398	\$ 2,707,709	\$ 3,545,794	\$ 3,623,205
Business-type activities	1,646,685	2,144,652	3,069,369	2,388,688
Total primary government	<u>\$ 3,387,083</u>	<u>\$ 4,852,361</u>	<u>\$ 6,615,163</u>	<u>\$ 6,011,893</u>

A) In FY 2008 Per the State Uniform Chart of Accounts Franchise Fees was moved to Permits and Fees from Taxes and Local Business Taxes (Occupational Licenses) was moved to Taxes from Permits and Fees.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (17,536,038)	\$ (17,664,773)	\$ (17,195,797)	\$ (16,854,304)	\$ (18,413,204)	\$ (17,932,395)
2,058,263	2,275,018	1,384,266	2,744,743	5,365,505	4,735,069
<u>\$ (15,477,775)</u>	<u>\$ (15,389,755)</u>	<u>\$ (15,811,531)</u>	<u>\$ (14,109,561)</u>	<u>\$ (13,047,699)</u>	<u>\$ (13,197,326)</u>
\$ 8,077,123	\$ 7,991,275	\$ 7,648,740	\$ 7,375,405	\$ 7,026,707	\$ 6,853,987
236,657	280,701	191,121	145,579	121,924	115,714
-	-	-	-	-	-
2,248,065	2,303,766	2,621,960	2,515,843	2,386,538	2,603,245
1,228,056	1,369,298	1,199,683	1,128,100	1,142,824	1,073,489
1,276,883	1,182,942	1,173,804	1,209,877	1,236,403	1,292,192
307,345	297,770	298,150	290,820	295,330	301,086
1,798,029	1,650,590	1,610,685	1,665,280	1,762,725	1,862,505
196,058	193,362	184,452	177,632	176,558	172,804
58,161	59,029	56,469	55,736	52,478	54,694
1,693,510	1,838,955	1,948,215	1,771,745	1,653,880	1,612,675
680,637	617,725	615,365	643,733	656,534	662,791
1,070,299	749,301	327,913	233,698	238,069	30,369
150,663	713,590	358,134	337,602	912,698	237,202
912,900	927,200	951,914	969,663	954,751	935,707
<u>19,934,386</u>	<u>20,175,504</u>	<u>19,186,605</u>	<u>18,520,713</u>	<u>18,617,419</u>	<u>17,808,460</u>
463,566	679,506	378,523	243,990	232,979	68,412
(912,900)	(927,200)	(951,914)	(969,663)	(954,751)	(935,707)
(449,334)	(247,694)	(573,391)	(725,673)	(721,772)	(867,295)
<u>\$ 19,485,052</u>	<u>\$ 19,927,810</u>	<u>\$ 18,613,214</u>	<u>\$ 17,795,040</u>	<u>\$ 17,895,647</u>	<u>\$ 16,941,165</u>
\$ 2,398,348	\$ 2,510,731	\$ 1,990,808	\$ 1,666,409	\$ 204,215	\$ (123,935)
1,608,929	2,027,324	810,875	2,019,070	4,643,733	3,867,774
<u>\$ 4,007,277</u>	<u>\$ 4,538,055</u>	<u>\$ 2,801,683</u>	<u>\$ 3,685,479</u>	<u>\$ 4,847,948</u>	<u>\$ 3,743,839</u>



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

		<b>Fiscal Year</b>			
		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>General Fund</b>					
	Nonspendable	\$ 259,995	\$ 271,959	\$ 312,247	\$ 239,803
	Restricted	204,006	224,254	270,627	361,733
	Committed	887,297	1,120,259	1,355,101	1,520,576
	Assigned	2,806,378	3,235,865	2,694,930	2,730,464
	Unassigned	4,780,922	5,608,512	7,404,702	8,549,150
<b>Total general fund</b>		<b>\$ 8,938,598</b>	<b>\$ 10,460,849</b>	<b>\$ 12,037,607</b>	<b>\$ 13,401,726</b>
<b>All Other Governmental Funds</b>					
	Nonspendable	\$ 2,146,715	\$ 4,266,518	\$ 4,251,035	\$ 4,051,515
	Restricted	7,010,253	4,988,991	6,939,209	7,396,053
	Committed	360,296	370,326	388,258	409,897
	Unassigned	-	-	-	-
<b>Total all other governmental funds</b>		<b>\$ 9,517,264</b>	<b>\$ 9,625,835</b>	<b>\$ 11,578,502</b>	<b>\$ 11,857,465</b>
<b>Total Fund Balance All Governmental Funds</b>		<b>\$ 18,455,862</b>	<b>\$ 20,086,684</b>	<b>\$ 23,616,109</b>	<b>\$ 25,259,191</b>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 185,661	\$ 149,243	\$ 330,533	\$ 357,162	\$ 370,883	\$ 378,222
381,188	356,340	282,319	272,255	235,644	251,147
1,677,318	2,127,263	2,029,862	2,235,030	2,383,557	2,095,903
2,862,314	3,355,153	2,852,355	4,033,690	4,041,932	4,816,784
8,716,138	9,203,929	10,935,000	10,410,510	10,559,574	9,178,148
<u>\$ 13,822,619</u>	<u>\$ 15,191,928</u>	<u>\$ 16,430,069</u>	<u>\$ 17,308,647</u>	<u>\$ 17,591,590</u>	<u>\$ 16,720,204</u>
\$ 3,950,809	\$ 3,719,168	\$ 3,557,169	\$ 3,368,659	\$ 4,203,228	\$ 3,042,589
7,879,659	8,836,197	9,114,170	8,868,090	8,033,543	8,712,030
420,921	429,830	433,995	435,298	428,968	431,557
-	-	(57,157)	(40,926)	(37,325)	(29,340)
<u>\$ 12,251,389</u>	<u>\$ 12,985,195</u>	<u>\$ 13,048,177</u>	<u>\$ 12,631,121</u>	<u>\$ 12,628,414</u>	<u>\$ 12,156,836</u>
<u>\$ 26,074,008</u>	<u>\$ 28,177,123</u>	<u>\$ 29,478,246</u>	<u>\$ 29,939,768</u>	<u>\$ 30,220,004</u>	<u>\$ 28,877,040</u>

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

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes	\$ 11,828,696	\$ 13,068,146	\$ 14,357,916	\$ 15,604,729
Licenses, permits and fees	677,700	785,566	677,692	505,650
Intergovernmental	2,873,420	3,226,896	3,107,244	2,941,096
Charges for services	1,548,824	1,763,753	1,755,119	1,834,350
Fines and forfeitures	336,142	426,753	351,550	202,380
Other	2,061,985	1,916,282	2,364,230	2,690,992
Total Revenues	<u>19,326,767</u>	<u>21,187,396</u>	<u>22,613,751</u>	<u>23,779,197</u>
<b>Expenditures</b>				
General government	2,486,720	2,691,935	2,802,646	3,160,898
Public safety	8,574,261	9,202,471	9,484,503	10,255,261
Physical environment	930,555	1,006,209	1,110,608	1,108,261
Transportation	951,009	996,108	1,024,192	1,141,638
Economic environment	56,501	57,714	109,447	190,107
Culture & recreation	3,121,692	3,352,249	3,350,166	3,566,247
Capital outlay	1,412,472	4,407,215	1,559,163	3,397,847
Debt service				
Interest	59,442	80,339	76,106	56,104
Principal	677,046	1,527,849	735,997	652,793
Total expenditures	<u>18,269,698</u>	<u>23,322,089</u>	<u>20,252,828</u>	<u>23,529,156</u>
Excess of revenues over (under) expenditures	1,057,069	(2,134,693)	2,360,923	250,041
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	103,084	2,938,815	363,261	553,141
Transfers in	1,281,415	1,806,695	1,373,046	1,351,900
Transfers out	(474,715)	(979,995)	(567,805)	(512,000)
Total other financing sources (uses)	<u>909,784</u>	<u>3,765,515</u>	<u>1,168,502</u>	<u>1,393,041</u>
Net change in fund balances	<u>\$ 1,966,853</u>	<u>\$ 1,630,822</u>	<u>\$ 3,529,425</u>	<u>\$ 1,643,082</u>
Debt service as a percentage of noncapital expenditures	4.4%	8.5%	4.3%	3.5%

\* In FY 2008 Per the State Uniform Chart of Accounts Franchise Fees was moved to Licenses, Permits and Fees from Taxes, and Local Business Taxes (Occupational Licenses) was moved to Taxes from Licenses, Permits and Fees.

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 13,854,676	* \$ 13,806,061	\$ 13,563,670	\$ 13,153,081	\$ 12,790,682	\$ 12,867,116
1,905,382	* 1,991,985	2,310,578	2,447,907	1,961,249	2,346,719
3,511,257	3,057,455	3,561,195	3,381,804	2,650,694	3,408,688
2,205,261	2,068,616	2,018,521	1,881,376	1,967,159	2,179,396
193,758	164,884	258,964	266,300	233,909	211,463
1,896,972	2,192,940	1,266,746	1,214,601	1,772,274	873,106
23,567,306	23,281,941	22,979,674	22,345,069	21,375,967	21,886,488
3,361,843	3,000,035	2,952,196	2,852,948	2,563,972	2,644,069
10,744,731	10,337,416	10,561,114	10,590,580	10,883,704	11,401,751
1,125,401	1,016,145	1,053,644	1,067,678	1,147,784	1,075,278
1,109,561	1,088,535	1,027,465	1,002,303	994,527	1,039,533
84,407	145,895	323,588	192,154	199,870	276,719
3,685,949	3,569,756	3,495,903	3,431,376	3,476,283	3,449,764
2,736,735	2,255,395	3,430,771	3,727,826	2,634,800	4,344,599
58,389	30,326	27,317	16,841	12,542	8,114
758,373	662,523	425,467	132,000	137,000	141,000
23,665,389	22,106,026	23,297,465	23,013,706	22,050,482	24,380,827
(98,083)	1,175,915	(317,791)	(668,637)	(674,515)	(2,494,339)
-	-	667,000	-	-	-
1,443,189	1,378,625	1,258,587	1,419,663	1,450,979	1,568,129
(530,289)	(451,425)	(306,673)	(450,000)	(496,228)	(416,754)
912,900	927,200	1,618,914	969,663	954,751	1,151,375
\$ 814,817	\$ 2,103,115	\$ 1,301,123	\$ 301,026	\$ 280,236	\$ (1,342,964)
3.9%	3.5%	2.3%	0.8%	0.8%	0.7%

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Franchise</u>	<u>Utility</u>	<u>Communication Service</u>	<u>Local Business Tax</u>	<u>Sales &amp; Use Tax</u>	<u>Total</u>
2004	\$ 5,514,387	\$ 1,299,617	\$ 1,920,503	\$ 1,207,913	\$ -	\$ 1,886,276	\$ 11,828,696
2005	6,228,565	1,490,189	2,024,947	1,249,521	-	2,074,924	13,068,146
2006	7,085,801	1,745,510	2,162,797	1,237,585	-	2,126,223	14,357,916
2007	8,343,906	1,730,658	2,227,055	1,239,970	-	2,063,140	15,604,729
2008	8,077,123	1,693,510 A	2,248,065	1,228,056	196,058 A	2,105,374	15,548,186
2009	7,991,275	1,838,955 A	2,303,766	1,369,298 B	193,362 A	1,948,360	15,645,016
2010	7,648,740	1,948,215 A	2,621,960	1,199,683	184,452 A	1,908,835	15,511,885
2011	7,375,405	1,771,745 A	2,515,843	1,128,100	177,632 A	1,956,100	14,924,825
2012	7,026,707	1,653,880 A	2,386,538	1,142,824	176,558 A	2,058,055	14,444,562
2013	6,853,987	1,612,675 A	2,603,245	1,073,489	172,804 A	2,163,591	14,479,791
Change 2004 - 2013	24.3%	24.1%	35.6%	-11.1%	100.0%	14.7%	22.4%

- A) In FY 2008 Per the State Uniform Chart of Accounts Franchise Fees was moved to Permits and Fees from Taxes and Local Business Taxes (Occupational Licenses) was moved to Taxes from Permits and Fees.
- B) State of Florida audited Communication Service Taxes and the City received an adjustment of \$128,400.

# 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						
	Residential Property	Commercial Property	Industrial Property	Other Property (A)	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value
2004	\$ 1,151,211,400	\$ 180,666,900	\$ 43,597,900	\$ 196,866,400	\$ 1,572,342,600	\$ 486,663,000	\$ 1,085,679,600
2005	1,323,871,400	200,272,500	47,213,900	211,427,300	1,782,785,100	566,167,700	1,216,617,400
2006	1,580,570,800	229,991,200	55,026,900	217,614,100	2,083,203,000	677,836,002	1,405,366,998
2007	2,084,750,600	282,403,000	65,949,800	251,122,300	2,684,225,700	968,817,497	1,715,408,203
2008	2,244,185,400	295,216,700	68,148,300	274,219,500	2,881,769,900	1,021,873,698	1,859,896,202
2009	2,080,508,860	B 309,537,550	69,741,100	289,914,000	2,749,701,510	1,015,759,242	1,733,942,268
2010	1,702,929,846	B 309,485,107	65,712,852	234,485,367	2,312,613,172	799,422,279	1,513,190,893
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
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
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
Change 2004 - 2013	10%	45%	16%	3%	13%	12%	13%

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.

C) Increase in exemption due to Tangible Personal Property Exemption mentioned below.

#### 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.

Personal Property			Total Real and Personal Property			Total Direct	Tax-Exempt
Personal	Less:	Total Taxable	Total	Less:	Total Taxable	Tax	as a Percentage
Property	Tax-Exempt	Assessed	Assessed	Tax-Exempt	Assessed	Rate	of Total
	Property	Value	Value	Property	Value		Assessed
\$ 71,086,810	\$ 4,873,680	\$ 66,213,130	\$ 1,643,429,410	\$ 491,536,680	\$ 1,151,892,730	4.9454	29.91%
75,213,500	4,048,970	71,164,530	1,857,998,600	570,216,670	1,287,781,930	4.9454	30.69%
78,236,341	4,016,850	74,219,491	2,161,439,341	681,852,852	1,479,586,489	4.9420	31.55%
85,494,830	7,548,340	77,946,490	2,769,720,530	976,365,837	1,793,354,693	4.7957	35.25%
86,243,280	7,242,510	79,000,770	2,968,013,180	1,029,116,208	1,938,896,972	4.3089	34.67%
87,359,270	16,799,101 C	70,560,169	2,837,060,780	1,032,558,343	1,804,502,437	4.5738	36.40%
87,936,835	17,767,680	70,169,155	2,400,550,007	817,189,959	1,583,360,048	4.9500	34.04%
79,793,060	15,744,372	64,048,688	1,975,918,528	581,112,092	1,394,806,436	5.4500	29.41%
83,165,794	14,826,327	68,339,467	1,892,938,423	564,228,530	1,328,709,893	5.4500	29.81%
80,263,674	13,708,093	66,555,581	1,857,199,909	558,854,574	1,298,345,335	5.4500	30.09%
13%	181%	1%	13%	14%	13%	10%	

**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							
	Governmental	Institutional	\$25,000 Homestead	Additional \$25,000 Homestead	Additional \$25,000 (Senior) Homestead	Homestead Assessment Diff (SOH) (E)	Other Exemptions (A)	Total Exemptions
2004	\$ 127,213,200	\$ 33,852,800	\$ 162,824,800	\$ -	\$ -	\$ 156,159,800	\$ 6,612,400	\$ 486,663,000
2005	137,861,800	35,774,400	165,136,600	-	-	219,900,800	7,494,100	566,167,700
2006	151,056,900	42,777,300	167,008,300	-	-	308,516,102	8,477,400	677,836,002
2007	177,087,500	48,848,269	168,958,774	-	2,422,786 B	560,835,866	10,664,302	968,817,497
2008	197,416,400	51,881,511	170,290,943	-	8,797,690 B	580,761,343	12,725,811	1,021,873,698
2009	211,378,700	52,812,771	170,502,287	143,249,349 C	8,766,726 B	414,634,208	14,415,201	1,015,759,242
2010	216,837,184	51,165,598	167,971,628	141,321,644 C	9,663,621 B	196,793,403	15,669,201	799,422,279
2011	192,112,501	45,726,249	165,929,594	138,775,970 C	11,172,205 B	-	11,651,201	565,367,720
2012	183,499,325	45,571,359	163,055,919	134,246,818 C	10,847,769 B	-	12,181,013	549,402,203
2013	186,759,207	46,040,744	162,222,590	127,760,264 C	10,759,291 B	-	11,604,385	545,146,481

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.



Personal Property						Real & Personal Total Exemptions
Governmental	Institutional	Tangible Personal Property	Other Exemptions (A)	Total Exemptions		
\$ 131,740	\$ 4,709,600	\$ -	\$ 32,340	\$ 4,873,680	\$ 491,536,680	
121,490	3,893,930	-	33,550	4,048,970	570,216,670	
117,090	3,863,420	-	36,340	4,016,850	681,852,852	
112,090	7,408,400	-	27,850	7,548,340	976,365,837	
127,530	7,089,630	-	25,350	7,242,510	1,029,116,208	
126,900	5,836,916	10,809,875	D 25,410	16,799,101	1,032,558,343	
123,205	7,557,037	10,064,248	D 23,190	17,767,680	817,189,959	
189,464	6,296,385	9,236,012	D 22,511	15,744,372	581,112,092	
176,433	5,898,511	8,729,473	D 21,910	14,826,327	564,228,530	
158,320	4,969,664	8,558,900	D 21,209	13,708,093	558,854,574	

**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)	
2004	4.9454	8.2430	6.1410	.6319	.6600	1.6562	22.2775
2005	4.9454	8.1220	6.1410	.6377	.6600	1.6557	22.1618
2006	4.9420	8.3900	6.1410	.6377	.6600	1.6555	22.4262
2007	4.7957	8.2100	5.4700	.6074	.6300	1.6378	21.3509
2008	4.3089	7.7310	4.8730	.5601	.5832	1.5121	19.5683
2009	4.5738	8.0610	4.8730	.5601	.5832	1.5551	20.2062
2010	4.9500	8.3460	4.8730	.5601	.5832	1.5106	20.8229
2011	5.4500	8.3400	4.8730	.5601	.5832	1.4410	21.2473
2012	5.4500	8.3850	4.8730	.7305	.8506	1.2390	21.5281
2013	5.4500	8.3020	5.0727	.7305	.9158	1.3034	21.7744

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

B) County includes:

General Fund	5.0105
Mosquito Control	0.0000
Health Department	0.0622
	<u>5.0727</u>

C) Other includes:

Pinellas County Planning Council	0.0125
Juvenile Welfare Board	0.8981
SW Florida Water Mgt. District	0.3928
	<u>1.3034</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	2013			2004		
	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	\$ 16,625,000	1	1.28%	\$ 4,225,000	9	0.37%
Riverside Partners LTD	10,500,000	2	0.81%	10,500,000	1	0.91%
DDR Tarpon Square LLC	9,152,132	3	0.70%	8,923,400	2	0.77%
Shamrock Millco - Sun Valley LLC	7,760,000	4	0.60%	6,500,000	4	0.56%
River Site LLC -St Lukes Clinic	5,980,826	5	0.46%	7,850,000	3	0.68%
Turtle Cove Group LLC	5,637,403	6	0.43%	-	-	-
C R P II- Tarpon Springs LLC	5,251,491	7	0.40%	-	-	-
Wal-Mart Stores East LP	5,150,000	8	0.40%	-	-	-
Lime Street Prop/Tarpon Woods Apts	4,900,000	9	0.38%	4,450,000	8	0.39%
City of Tarpon Springs	4,674,282	10	0.36%	-	-	-
Storage Trust Properties	-	-	-	4,650,000	5	0.40%
Peterson, Marilyn H TRE	-	-	-	4,620,000	6	0.40%
Manatee Village Investments	-	-	-	4,600,000	7	0.40%
Tarpon Springs Associates	-	-	-	3,675,000	10	0.32%
<b>TOTAL</b>	<b>\$ 75,631,134</b>		<b>5.82%</b>	<b>\$ 59,993,400</b>		<b>5.20%</b>

A) Percentages are based on the total assessed value of \$ 1,298,345,335

B) Percentages are based on the total assessed value of \$ 1,151,892,730.

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	2013			2004		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Florida Power Corp	\$ 14,946,659	1	1.15%	\$ 10,700,860	1	0.93%
Verizon Florida LLC "C"	8,704,350	2	0.67%	-	-	-
Oscor	4,279,594	3	0.33%	-	-	-
Verizon Wireless	3,678,934	4	0.28%	-	-	-
Bright House Networks LLC	2,964,280	5	0.23%	2,454,060	4	0.21%
St Lukes Cataract & Laser Inst. Inc	2,240,098	6	0.17%	3,222,750	3	0.28%
Sweetbay Supermarket	1,641,329	7	0.13%	-	-	-
Hertz Equip Rental Corp	1,123,786	8	0.09%	1,268,830	6	0.11%
St Lukes Surgical Center Inc	1,123,735	9	0.09%	-	-	-
Winn Dixie #624	1,026,403	10	0.08%	874,670	8	0.08%
Verizon Florida Inc	-	-	-	10,178,970	2	0.88%
Verizon Americast	-	-	-	1,439,300	5	0.12%
Stamas Yacht	-	-	-	1,003,390	7	0.09%
Kmart Corp #3257	-	-	-	818,120	9	0.07%
Citicorp Leasing, Inc	-	-	-	738,450	10	0.06%
<b>TOTAL</b>	<b>\$ 41,729,168</b>		<b>3.22%</b>	<b>\$ 32,699,400</b>		<b>2.83%</b>

A) Percentages are based on the total assessed value of \$ 1,298,345,335

B) Percentages are based on the total assessed value of \$ 1,151,892,730.

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			
2004	\$	5,696,570	\$	5,496,420	96.49%	\$	18,701	\$	5,515,121	96.81%
2005		6,368,597		6,157,335	96.68%		72,732		6,230,067	97.82%
2006		7,312,116		7,070,516	96.70%		17,303		7,087,819	96.93%
2007		8,600,391		8,326,486	96.82%		20,281		8,346,767	97.05%
2008		8,354,513		8,049,598	96.35%		30,695		8,080,293	96.72%
2009		8,253,433		7,953,461	96.37%		44,441		7,997,902	96.90%
2010		7,837,632		7,591,358	96.86%		60,972		7,652,330	97.64%
2011		7,601,697		7,355,168	96.76%		40,248		7,395,416	97.29%
2012		7,241,470		6,992,075	96.56%		13,707		7,005,782	96.75%
2013		7,075,982		6,823,866	96.44%		10,154		6,834,020	96.58%

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			
2004	\$ 553,802	\$ 242,984	\$ 2,075,000	\$ -	\$ -	\$ 2,871,786	0.36%	122.54
2005	1,947,113	260,638	1,700,000	-	-	3,907,751	0.47%	165.16
2006	1,512,336	322,679	1,310,000	-	137,253	3,282,268	0.37%	135.85
2007	1,063,522	671,841	3,269,035	-	100,097	5,104,495	0.53%	207.26
2008	600,219	376,771	3,882,229	-	68,037	4,927,256	0.48%	199.53
2009	121,958	192,509	5,950,565	-	34,688	6,299,720	0.60%	257.43
2010	556,000	-	6,673,965	-	-	7,229,965	0.67%	295.96
2011	424,000	-	6,673,965	-	-	7,097,965	0.74%	302.49
2012	287,000	-	6,673,965	-	-	6,960,965	0.70%	293.25
2013	146,000	-	35,795,000	6,741,900	-	42,682,900	3.75%	1,783.28

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

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

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

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>	<u>Revenue Note</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Real Property (A)</u>	<u>Per Capita (B)</u>
	<u>General Obligation Bonds</u>				
2004	\$ -	\$ 553,802	\$ 553,802	0.05%	\$ 23.63
2005	-	1,947,113	1,947,113	0.16%	82.30
2006	-	1,512,336	1,512,336	0.11%	62.59
2007	-	1,063,522	1,063,522	0.06%	43.18
2008	-	600,219	600,219	0.03%	24.31
2009	-	121,958	121,958	0.01%	4.98
2010	-	556,000	556,000	0.04%	22.76
2011	-	424,000	424,000	0.03%	18.07
2012	-	287,000	287,000	0.02%	12.09
2013	-	146,000	146,000	0.01%	6.10

**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, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (A)</u>	<u>Estimated Share of Overlapping Debt</u>
Pinellas County Bonds	\$ 3,108,726	2.39%	\$ 74,299
Pinellas County Capital Leases	197,190	2.39%	4,713
Pinellas County School District State Bonds	21,985,000	2.39%	525,442
Pinellas County School District Capital Leases	12,546,264	2.39%	299,856
Subtotal, overlapping debt			<u>904,309</u>
City direct debt	146,000	100.00%	<u>146,000</u>
Total direct and overlapping debt			<u>\$ 1,050,309</u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$1,298,345,335/\$54,350,309,869).

Sources: Assessed value data used to estimate applicable percentages provided by the Pinellas County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Tarpon Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden by the residents and businesses should be taken into account.



**City of Tarpon Springs, Florida**  
**Schedule 13**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Debt Limit (B)	\$ 1,151,892,730	\$ 1,287,781,930	\$ 1,479,586,489	\$ 1,793,354,693
Total net debt applicable to limit ( C)	<u>796,786</u>	<u>2,207,751</u>	<u>1,835,015</u>	<u>1,735,363</u>
Legal debt margin (B)	\$ 1,151,095,944	\$ 1,285,574,179	\$ 1,477,751,474	\$ 1,791,619,330
Total net debt applicable to the limit as a percentage of debt limit	0.07%	0.17%	0.12%	0.10%

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.

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value (A)	\$ 1,298,345,335
Debt limit (100% of total assessed value) (B)	<u>1,298,345,335</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	146,000
Capital leases	-
Total net debt applicable to limit	<u>146,000</u>
Legal debt margin	<u>\$ 1,298,199,335</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$1,938,896,972	\$1,804,502,437	\$1,583,360,048	\$ 1,394,806,436	\$ 1,328,709,893	\$ 1,298,345,335
<u>976,990</u>	<u>314,467</u>	<u>556,000</u>	<u>424,000</u>	<u>287,000</u>	<u>146,000</u>
\$1,937,919,982	\$1,804,187,970	\$1,582,804,048	\$ 1,394,382,436	\$ 1,328,422,893	\$ 1,298,199,335
0.05%	0.02%	0.04%	0.03%	0.02%	0.01%

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

<b>Water and Sewer Revenue Bonds</b>								
<b>Fiscal Year</b>	<b>Gross Revenues</b>		<b>Less: Operating Expenses (B)</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>			<b>Coverage</b>
					<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2004	\$ 8,823,533	A	\$ 6,965,836	\$ 1,857,697	\$ 360,000	\$ 95,209	\$ 455,209	4.08
2005	9,695,064	A	7,277,790	2,417,274	375,000	81,133	456,133	5.30
2006	10,609,938	A	7,531,271	3,078,667	390,000	66,470	456,470	6.74
2007	10,717,737	A	8,203,232	2,514,505	395,000	76,449	471,449	5.33
2008	10,607,925	A	8,196,868	2,411,057	420,000	116,878	536,878	4.49
2009	10,715,997	A	8,134,938	2,581,059	435,000	78,894	513,894	5.02
2010	10,512,915	A	8,149,009	2,363,906	60,000	53,594	113,594	20.81
2011	11,187,120	A	7,807,205	3,379,915	-	51,182	51,182	66.04
2012	11,941,116	A	7,762,107	4,179,009	-	52,075	52,075	80.25
2013	12,947,503	C	8,763,536	4,183,967	-	202,800	202,800	20.63
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>
2004	23,436	\$ 793,918	\$ 33,876	44.0	7,115	3.8%
2005	23,660	823,723	34,815	44.2	7,022	3.6%
2006	24,161	895,914	37,081	44.2	7,115	2.8%
2007	24,628	970,269	39,397	44.5	7,115	3.7%
2008	24,694	1,035,172	41,920	44.5	6,861	6.0%
2009	24,472	1,056,823	43,185	45.0	6,861	10.8%
2010	24,429	1,074,583	43,988	45.3	6,840	11.7%
2011	23,465	964,646	41,110	46.3	6,735	10.3%
2012	23,737	996,099	41,964	46.5	6,222	10.5%
2013	23,935	1,137,463	47,523	47.4	5,157	8.5%

**Source:**

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

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

Employer	2013		2004	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Home Shopping Club	2,800	1	4,000	1
Raymond James Financial	2,600	2	3,022	3
Bright House Networks	2,000	3	-	-
Fidelity Information Svc.	1,800	4	-	-
Nielson Media Research	1,800	5	2,669	4
Jabil Circuit, Inc.	1,600	6	-	-
Tech Data Corp.	1,500	7	1,800	10
Honeywell Aerospace	1,500	8	-	-
ThinkDirect Marketing Group	1,000	9	-	-
Ceridian Benefit Services	1,000	10	-	-
Times Publishing Corp.	-	-	3,187	2
Morton Plant Hospital	-	-	2,448	5
Raytheon	-	-	2,200	6
All Childrens Health Systems	-	-	2,000	7
Bayfront Medical Center, Inc.	-	-	2,000	8
Progress Energy, Florida	-	-	1,870	9
<b>TOTAL</b>	<b>17,600</b>		<b>25,196</b>	

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function/Program</b>										
General government	30.00	31.00	30.00	34.10	33.10	29.40	30.40	29.80	28.80	29.80
Public safety	107.00	107.00	110.00	112.00	114.00	109.00	109.00	107.00	105.00	106.00
Physical environment	13.00	14.20	15.00	16.00	16.00	16.00	15.00	15.20	15.20	14.20
Transportation	8.83	9.20	10.20	12.10	12.10	11.10	11.10	10.30	10.30	9.30
Economic Environment	-	-	1.00	1.00	1.00	2.20	2.20	2.20	2.20	2.20
Culture/recreation	45.00	46.00	46.00	47.00	46.00	42.00	38.00	38.00	37.00	37.00
Water/Sewer	60.75	60.00	60.00	61.00	61.00	61.50	61.50	58.55	58.55	59.55
Sanitation	4.00	4.30	5.30	4.30	4.30	4.30	6.30	7.60	7.60	7.60
Stormwater	7.25	7.25	7.45	7.45	7.45	7.45	7.45	7.25	8.25	8.25
Golf Course	6.00	6.00	6.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00
Marina	0.17	0.05	0.05	0.05	0.05	0.05	0.05	0.10	0.10	0.10
<b>Total</b>	<b>282.00</b>	<b>285.00</b>	<b>291.00</b>	<b>301.00</b>	<b>301.00</b>	<b>289.00</b>	<b>286.00</b>	<b>280.00</b>	<b>277.00</b>	<b>278.00</b>

Source: City Budget documents.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Function/Program</b>										
Public safety										
Police										
Arrests	1,041	1,246	1,292	1,317	1,341	1,100	1,424	990	942	1,007
Parking violations	413	563	535	629	340	286	424	553	227	623
Citations	7,469	6,405	3,678	3,865	3,243	2,366	4,919	3,635	3,004	3,184
Fire/EMS										
Fire calls	79	70	80	76	69	60	64	65	71	55
EMS calls	2,437	2,474	3,137	3,029	2,708	2,031	1,965	2,766	2,672	3,291
False alarms	191	170	281	209	169	127	148	185	151	141
Culture/recreation										
Community center attendance	17,850	18,203	18,036	16,210	13,625	15,246	14,395	14,316	12,767	13,607
Leagues	5	5	5	8	8	8	10	10	11	13
Library-circulation	279,448	242,216	252,394	235,570	254,854	288,481	286,672	290,703	303,567	287,679
Library-materials	84,328	98,867	98,185	109,561	122,064	130,230	119,160	106,762	110,582	101,285
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	3,230	3,204	3,245	3,067	2,913	2,830	2,609	2,644	2,679	2,707
Sewer										
Annual average daily flow (thousands of gallons)	2,151	2,106	1,992	1,991	2,083	1,950	1,932	1,874	2,115	2,030
Golf Course										
Rounds of golf played	61,366	63,196	66,187	66,563	62,011	60,004	55,136	55,104	56,984	58,535

Source: City Departments

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets paved	92.3	92.3	92.3	92.4	92.8	92.8	92.8	92.8	93.0	93.0
Streets unpaved	0.7	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0	1.0
Culture/recreation										
Parks acreage	430.39	430.39	430.39	430.39	430.39	430.39	430.39	430.39	430.39	431.39
Playgrounds	15	15	15	15	15	16	16	18	18	18
Baseball/softball fields	10	10	10	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	150	160	160	160	160	160	160	160	160	160
Sanitary sewer mains/miles	70.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	84.0	84.0
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	19	19	19

Sources: City Departments





**REPORTS OF INDEPENDENT AUDITORS/  
COMPLIANCE SECTION**

**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City"), as of and for the year ended September 30, 2013, 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 26, 2014.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maya Hoffman McClenn P.C.*

March 26, 2014  
Clearwater, Florida

**Independent Auditor's Management Letter**

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

We have audited 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, 2013, and have issued our report thereon dated March 26, 2014.

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. 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 the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosure in this report, which is dated March 26, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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. Corrective actions have been taken to address the audit finding and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)(2)., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, *Florida Statutes*, regarding the investment of public funds. In connection with our audit, nothing came to our attention that caused us to believe the City was not in compliance with Section 218.415, *Florida Statutes*.
- Section 10.554(1)(i)(3)., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that may 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 have any such findings.

- Section 10.554(1)(i)(5)., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)(6)(a)., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.
- Section 10.554(1)(i)(6)(b)., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)(6)(c) and 10.556(7)., *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 the financial information provided by same.

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, applicable management, the Honorable Mayor, and the Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

*Maya Hoffman McCann P.C.*

March 26, 2014  
Clearwater, Florida

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# Other Compliance Reports



# City of Tarpon Springs, Florida

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

City of Tarpon Springs  
Section 163.31801 Compliance

## Affidavit

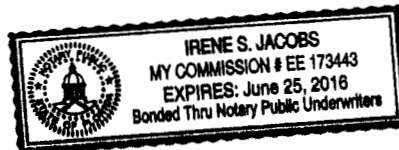
As Finance Director of the City of Tarpon Springs, my signature below indicates that the City of Tarpon Springs has complied with "Section 163.31801 – Impact fees" of the Florida Statutes for the fiscal year ending September 30, 2013.

Arie L. Walker  
Finance Director  
City of Tarpon Springs, Florida

STATE OF Florida  
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this March 26, 2014,  
by Arie L. Walker, Finance Director of the City of Tarpon Springs, who is personally  
Known to me or has produced \_\_\_\_\_ as identification.

Irene S. Jacobs  
Notary Public



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

**CITY OF TARPON SPRINGS, FLORIDA**

**Schedule of Revenues and Expenditures  
of the Fire Department**

**Year Ended September 30, 2013  
(With Independent Auditor's Report Thereon)**





Mayer Hoffman McCann P.C.  
An Independent CPA Firm

13577 Feather Sound Drive, Suite 400 ■ Clearwater, Florida 33762  
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ [www.mhmcpa.com](http://www.mhmcpa.com)

### **Independent Auditor's Report**

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

#### **Report on the Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, 2013, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2014. We have also audited the accompanying Schedule of Revenues and Expenditures of the Fire Department ("Schedule") for the year ended September 30, 2013.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this Schedule; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this Schedule 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 Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule.

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



*We are not affiliated with, nor do we have any relationship with, any other independent accounting firm.*

### ***Opinion***

In our opinion, the Schedule referred to above presents fairly, in all material respects, the revenues and expenditures of the City of Tarpon Springs' Fire Department for the year ended September 30, 2013 in conformity with the basis of accounting described in Note 2.

### ***Other Reporting Matters***

As discussed in Note 1, the Schedule presents only the revenues and expenditures related to the Fire Department of the City and does not purport to, and does not, present fairly the financial position of the City as of September 30, 2013, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the accompanying Schedule was prepared for the purpose of complying with the Fire Protection Services Agreement, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Mayor, the Board of Commissioners, and management of the City of Tarpon Springs, Florida for filing with the Pinellas County Fire Authority, and is not intended to be and should not be used by anyone other than these specified parties.

*Mayra Hoffman McCann P.C.*

March 26, 2014  
Clearwater, Florida

**CITY OF TARPON SPRINGS, FLORIDA**

**Schedule of Revenues and Expenditures of the Fire Department**

**For the Year Ended September 30, 2013**

Pinellas County Funds Paid to Contractor	\$ 357,383
Reimbursement to County for FY12 Overpayment	<u>31,831</u>
Funds provided by Pinellas County (a)	<u>389,214</u>
Total expenditures by City (b)	<u>3,447,711</u>
Fire Allowable Costs	<u>3,447,711</u>
Pinellas County Percentage of District	<u>10.10%</u>
Total Pinellas County Share	<u>348,219</u>
Total due to Fire District (c)	<u><u>\$ 40,995</u></u>

- (a) Information provided by the Pinellas County Fire Protection Authority.
- (b) Expenditures are included in the general fund of the City.
- (c) Amount to be deducted from subsequent year's compensation.

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 the Fire District must be used solely for Fire Allowable Costs. Any unspent balance at the conclusion of a fiscal year must be accounted for and returned to the Fire District. The return of any such funds will be accomplished through a reduction to the current year funding from the Fire District to Contractor for Fire Services.

## **CITY OF TARPON SPRINGS, FLORIDA**

### **Notes to Schedule of Revenues and Expenditures of the Fire Department**

**Year Ended September 30, 2013**

**(1) Reporting Entity**

The City of Tarpon Springs, Florida (the "City") is a political subdivision of the State of Florida. The Schedule of Revenues and Expenditures related to the Fire Department ("Schedule") contains the revenues received from the Pinellas County Fire Authority (the "County"). The expenditures for the City's Fire Department are based on Fire allowable costs. The Schedule is not intended to present the revenues and expenditures of the City for the year ended September 30, 2013 in accordance with U.S. generally accepted accounting principles.

The Schedule of Revenues and Expenditures related to the Fire Department is prepared and submitted to the Pinellas County Fire Protection Authority in accordance with the Pinellas County Home Rule Charter and Chapter 62, Article II of the Pinellas County Code and the Fire Services Agreement; and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

**(2) Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting for the purpose of complying with the Fire Protection Service Agreement. Under the modified accrual basis, revenues are recognized if they are measurable and available for use during the year and expenditures are generally recognized in the period liabilities are incurred.

## Fire Protection Services Agreement

### APPENDIX C

#### **Pinellas County Fire Services Agreement SUPPLEMENTAL FINANCIAL INFORMATION**

##### **Instructions:**

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 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 Contractor.

In accordance with Section 409(a), the following form will be provided to Pinellas County no later than April 1 of the year following the audited year together with the Financials. The results of the form (line 7) and supporting annual audit may be used to adjust the current year payments from Pinellas County to Contractor.

##### **To be Completed by Contractor:**

Contractor (District Supporting)	<u>City of Tarpon Springs</u>
Person Completing Form	<u>Ron Harring, Assistant Finance Director</u>
Phone Number	<u>727-942-5612</u>
Fiscal Year	<u>2013</u>

***Note:** All references are only to the Fire District, and do not include any revenue or expenditures associated with EMS. State Law and County Code forbid the use of fire funds for EMS purposes or EMS funds for fire fighting, i.e., fire funds cannot be used to purchase rescue units, attend EMS related conferences or membership in EMS organizations or to pay salary and benefits of EMS personnel, etc. If the specific items are not documented in the audited financials, please compute the amount and place it on the form and attach documentation showing how the information was calculated citing information contained in the audited financials.*

1. Total Expenditures by Contractor	<u>\$ 3,447,711</u>	page audit <u>3</u>
2. Less: Other Revenues received by Contractor *	<u>-</u>	page audit <u>3</u>
3. Total Outlay by Contractor (1 less 2)	<u>\$ 3,447,711</u>	page audit <u>3</u>
4. Pinellas County Percentage of District **	<u>10.10%</u>	
5. Total Pinellas County Share (3 times 4)	<u>\$ 348,219</u>	
6. Pinellas County paid to Contractor	<u>\$ 389,214</u>	page audit <u>3</u>
7. Total Due to Pinellas County (the District)		Includes \$31,831 due to reduction of funding for 9-30-12 excess County funding.
difference 6 less 5	<u>\$ 40,995</u>	
8. Fund Balance retained by Contractor	<u>\$ -</u>	

\* Includes interest and other fire protection agreements

\*\* To be provided by Pinellas County Fire Authority

**PLEASE INCLUDE A COPY OF YOUR ANNUAL AUDIT AND ANY OTHER  
SUPPORTING DOCUMENTATION AS NEEDED.**

**CITY OF TARPON SPRINGS, FLORIDA**

**Schedule of Revenues and Expenditures  
of the EMS Department**

**Year Ended September 30, 2013  
(With Independent Auditor's Report Thereon)**



Mayer Hoffman McCann P.C.  
An Independent CPA Firm

13577 Feather Sound Drive, Suite 400 ■ Clearwater, Florida 33762  
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ [www.mhmcpa.com](http://www.mhmcpa.com)

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States of America 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, 2013, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2014. We have also audited the accompanying Schedule of Revenues and Expenditures of the EMS Department ("Schedule") for the year ended September 30, 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the Schedule; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this Schedule 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 Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule.

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



*A member of the Kreston International, a global network of independent accounting firms*

### ***Opinion***

In our opinion, the Schedule referred to above presents fairly, in all material respects, the revenues and expenditures of the City of Tarpon Springs' EMS Department for the year ended September 30, 2013 in conformity with the basis of accounting described in Note 2.

### ***Other Reporting Matters***

As discussed in Note 1, the Schedule presents only the revenues and expenditures of the Emergency Medical Services of the City and does not purport to, and does not, present fairly the financial position of the City as of September 30, 2013, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also as discussed in Note 1, the accompanying Schedule was prepared for the purpose of complying with the ALS First Responder Agreement and the Pinellas County EMS Authority's Resolution 09-38 and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

This report is intended solely for the information and use of the Mayor, the Board of Commissioners, and management of the City of Tarpon Springs for filing with the Pinellas County EMS Authority, and is not intended to be and should not be used by anyone other than these specified parties.

*Mayor Hoffman Mc Cann P.C.*

March 26, 2014  
Clearwater, Florida



**CITY OF TARPON SPRINGS, FLORIDA**

**Schedule of Revenues and Expenditures of the EMS Department**

**For the Year Ended September 30, 2013**

Funds provided by the EMS Authority (a)	\$ <u>982,537</u>
Total expenditures by City (b)	<u>994,744</u>
EMS allowable costs	<u>994,744</u>
Total due to EMS Authority (c)	\$ <u><u>-</u></u>

- (a) Information provided by the Pinellas County EMS Authority.
- (b) Expenditures are included in the general fund of the City.
- (c) Amount to be deducted from subsequent year's compensation.

In accordance with the Pinellas County EMS Authority's Resolution 09-38 and Section 706 of the 2009 EMS 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 Contractor for ALS First Responder Services.

## **CITY OF TARPON SPRINGS, FLORIDA**

### **Notes to Schedule of Revenues and Expenditures of the EMS Department**

**Year Ended September 30, 2013**

**(1) Reporting Entity**

The City of Tarpon Springs, Florida (the "City") is a political subdivision of the State of Florida. The Schedule of Revenues and Expenditures related to the EMS Department ("Schedule") only contains the revenues and expenditures of the Emergency Medical Services of the City and is not intended to present the revenues and expenditures of the City for the year ended September 30, 2013 in accordance with accounting principles generally accepted in the United States of America. The expenditures are based on allowable costs in accordance with the ALS First Responder Agreement and Pinellas County EMS Authority's Resolution 09-38.

The Schedule of Revenues and Expenditures related to the EMS Department is prepared and submitted to the Pinellas County Emergency Medical Services Authority in accordance with the ALS First Responder Agreement and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

**(2) Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting for the purpose of complying with the ALS First Responder Agreement. Under the modified accrual basis, revenues are recognized if they are measurable and available for use during the year and expenditures are generally recognized in the period liabilities are incurred.

**Pinellas County  
ALS First Responder Agreement**

**EMS FINANCIAL INFORMATION ATTESTATION FORM FOR FY 12-13**

**Instructions:**

In accordance with the Pinellas County EMS Authority's Resolution 09-38 and Section 706 of the 2013 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 Contractor for ALS First Responder Services.

The following form is provided for consistent cost reporting and shall be submitted within ten (10) business days of Contractor's receipt of Annual External Audit. The results of the form (line 3) and supporting annual audit may be used to adjust the current year payments from Pinellas County to Contractor for any surplus funding.

**To be completed by Contractor:**

City or Fire District (Contractor)  
Name of Person Completing Form  
Phone Number and Email Address

City of Tarpon Springs  
Ron Harring, Assistant Finance Director  
727-942-5612; rharring@ctsfl.us

1. EMS Funding FY12-13 Received by Contractor	\$ <u>982,537</u>	Audit Page: <u>3</u>
2. EMS Allowable Costs Incurred by Contractor	\$ <u>994,744</u>	Audit Page: <u>3</u>
3. Difference (If excess, amount due to Pinellas County)	\$ <u>-</u>	Audit Page: <u>3</u>

**PLEASE INCLUDE A COPY OF ANNUAL AUDIT AND SUPPORTING  
DOCUMENTATION AS NEEDED.**

I certify the costs identified, in line 2 above, are related to EMS Authorized positions and units and comply with the EMS Allowable Cost Standards contained in Pinellas County EMS Resolution 09-38. I certify that I have reviewed payroll registers, salary and benefit actual expenditures, actual relief staffing costs incurred to maintain continuous staffing of Authority authorized positions, and actual costs of supervision, fuel, maintenance and repairs, and other allowable costs.

Mayra Hoffman McClain P.C. March 26, 2014  
Signature and Date, Contractor's External Auditor

CD ENCLOSED

