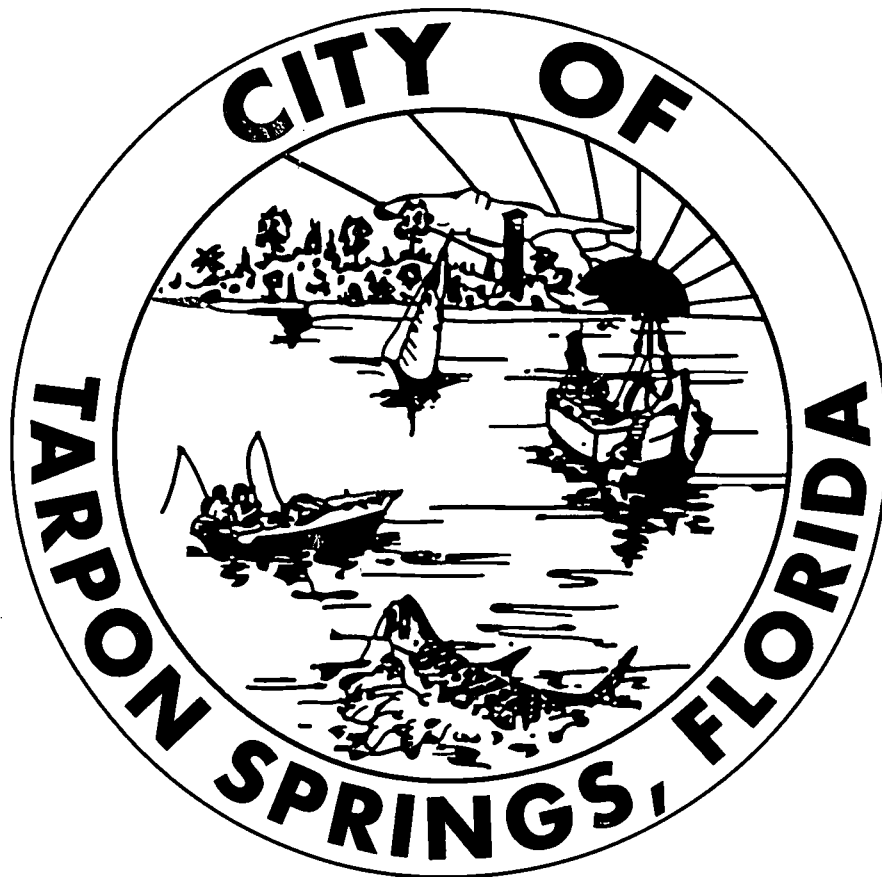


City of Tarpon Springs, Florida



Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2015

**CITY OF TARPON SPRINGS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2015**

MAYOR AND BOARD OF COMMISSIONERS

**David O. Archie, Mayor
Jeffrey S. Larsen, Vice-Mayor
Townsend Tarapani, Commissioner
David Banther, Commissioner
Rea Sieber, Commissioner**

ADMINISTRATION

**Mark G. LeCouris, City Manager
Ron Harring, Finance Director
Michelle Mims Assistant Finance Director
Irene S. Jacobs, City Clerk
Jay Daigneault, City Attorney**

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CITY OF TARPON SPRINGS, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart



City of Tarpon Springs, Florida

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

March 31, 2016

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, 2015.

This report consists of management's representations concerning the finances of the City of Tarpon Springs. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Tarpon Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Tarpon Springs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Tarpon Springs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City of Tarpon Springs' financial statements have been audited by Moore, Stephens, Lovelace, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tarpon Springs for the Fiscal Year ended September 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tarpon Springs' financial statements for the Fiscal Year ended September 30, 2015, 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 24,421. The City of Tarpon Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Mayor and Board of Commissioners.

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

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

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

Factors Affecting Financial Condition

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

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

The economic condition of the area during the past few years was declining or stagnant at best, the outlook for fiscal year 2016 shows signs of improving economic conditions. Property tax valuations and property tax revenues both decreased over past years but increased in FY 2015 and are anticipated to increase in FY 2016. 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 was in July of 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.

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, 2015 based on the specific purpose for which the resources have been restricted, committed or assigned.

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

During Fiscal Year 2015, the average cash/investment pool balance was \$47,676,041 and the total annual earnings net of all bank charges was \$412,916 giving an average rate of return of .87% on the average balance.

Debt Administration. At September 30, 2015, the City had total outstanding bonds payable of \$35,005,000 representing the Utility System Revenue Bond Series 2013A. For further details regarding the City's outstanding debt, please see Note III-F in the Notes to the Financial Statements.

The computation of the legal debt margin, which is indicated in the City's Comprehensive Plan, indicates a very low proportion of indebtedness at September 30, 2015 relative to property values at January 1, 2015 (see Schedules 10 through 14 in the Statistical Section for debt information). Schedule 14 demonstrates that coverage for the City's revenue bonds is more than adequate, and is in compliance with the related bond covenants. Schedule 11 shows that the City has no general obligation debt.

Significant Litigation. As explained in Note IV-E in the Notes to the Financial Statements, the City is a defendant in various legal actions which should not have a material adverse impact on the financial position of the City as reported herein.

Risk Management. The City converted to the Florida League of Cities \$25,000 Stop/Loss Property and Liability Self-Insurance program on January 1, 1995 with a Risk Management - Internal Service Fund established for the administration of the City's "self-insurance" activities. Amounts estimated to be payable due to claims occurring on or before September 30, 2015 increased to \$205,853, claims paid during the year increased in the amount of \$146,724 which caused a decrease in the change in net position of \$148,567 with a corresponding decrease in total Net Position to \$1,977,022 as of September 30, 2015. For further information, please see Note IV-A in the Notes to the Financial Statements.

The City is not "self-insured" for workers' compensation, health, and dental insurance. Workers' compensation insurance is purchased through the Florida League of Cities. The insurance premium is adjusted from year to year based upon past experience, i.e., claims incurred. Health and dental insurance is purchased through Florida Municipal Insurance Trust (FMIT). Life and long term disability insurance was purchased through 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 \$667,055, \$511,303 and \$831,737 respectively. The City contributions for the Police Officers' and Firefighters' Defined Benefit pension plans were in accordance with actuarially determined funding requirements. In addition, the Police Officers' and Firefighters' pension plans are partially funded from excise taxes on certain insurance premiums covering property in Tarpon Springs, collected by the State and remitted to the City. The Police Officers and Firefighters contribute to their pension plans. The General Employees do not contribute to their pension, which is a Defined Contribution

Plan administered by ICMA-RC (International City/County Management Association Retirement Corporation). For further information regarding these pension plans please see Note IV-G in the Notes to the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tarpon Springs, Florida for its comprehensive annual financial report (CAFR) for the Fiscal Year ended September 30, 2014. This was the twenty-fourth 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.

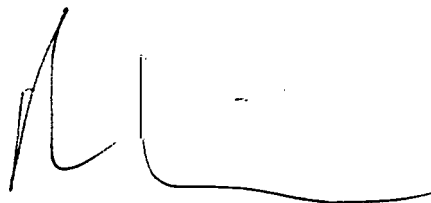
In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2014. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all members of the departments who assisted and contributed in the preparation of this report. Sincere appreciation is also extended to the City's external auditors, Moore, Stephens, Lovelace, P.A., for their advice and assistance in the preparation of this report. The Mayor and Board of Commissioners should be given significant credit for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Tarpon Springs finances.

Respectfully submitted,



Mark G. LeCouris
City Manager



Ron Harring
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

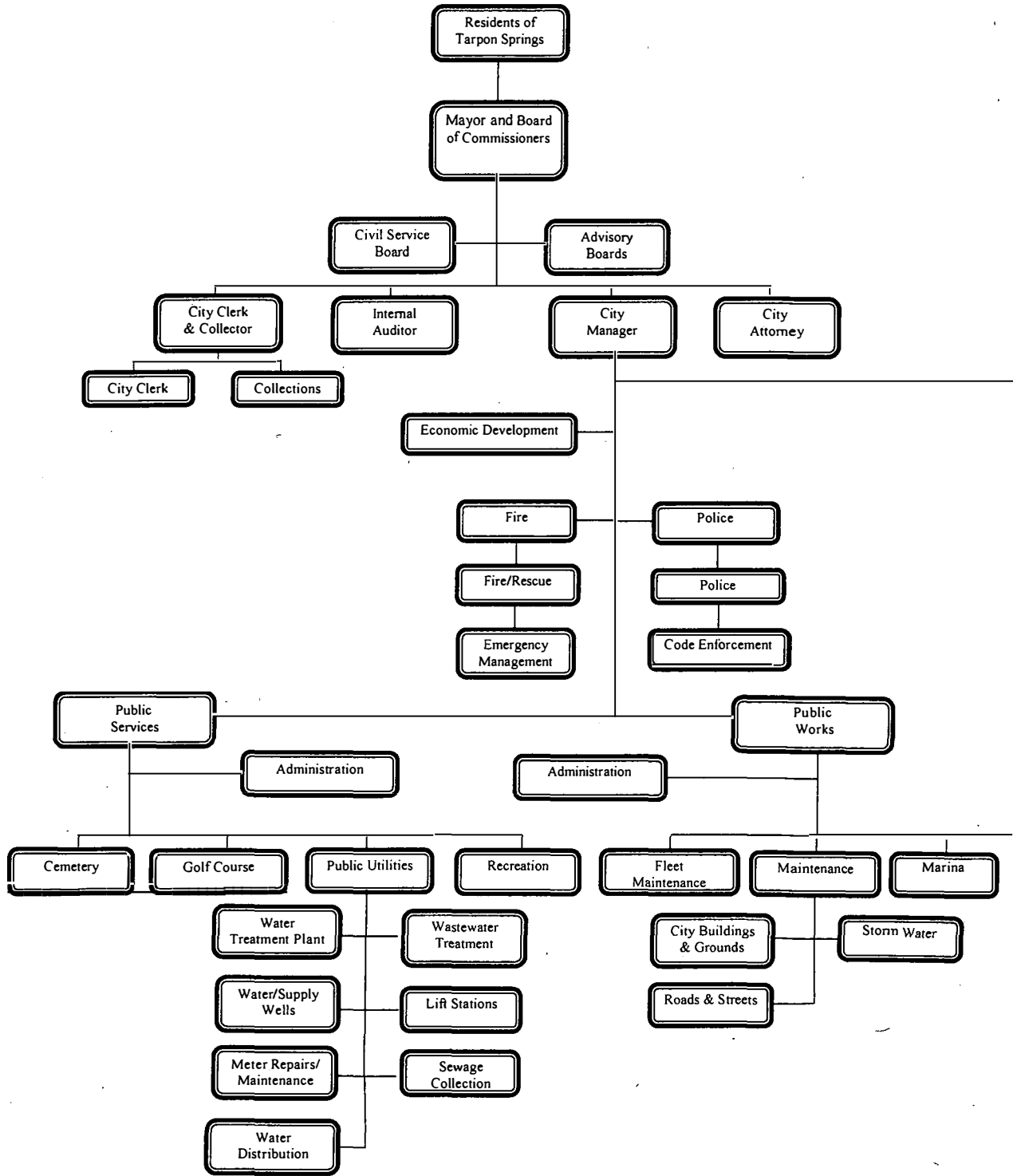
**City of Tarpon Springs
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

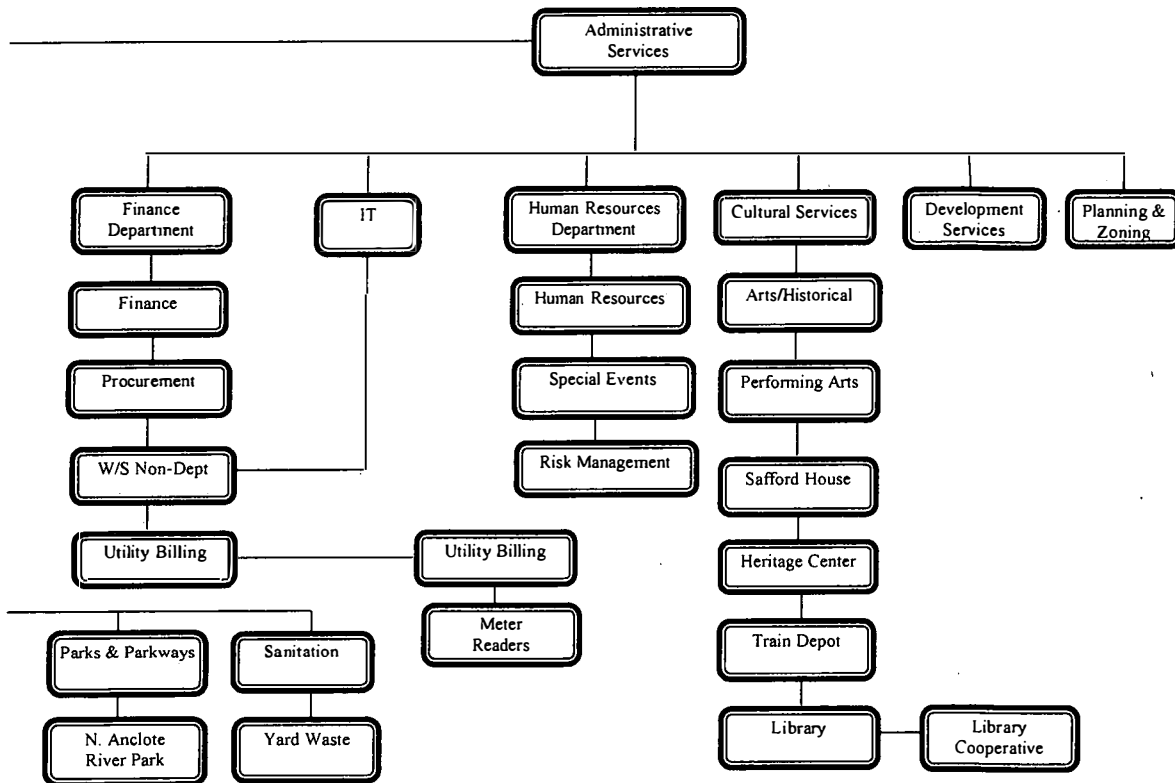
September 30, 2014

Executive Director/CEO

ORGANIZATIONAL CHART



City of Tarpon Springs, Florida
Organizational Chart
by Department
FY 2015



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



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, Florida (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note I to the financial statements, in the fiscal year ended September 30, 2015, the City adopted the provisions of Government Accounting Standards Board Statement (GASBS) Number 68, *Accounting and Financial Reporting for Pensions* and GASBS 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016, 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.

Maore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

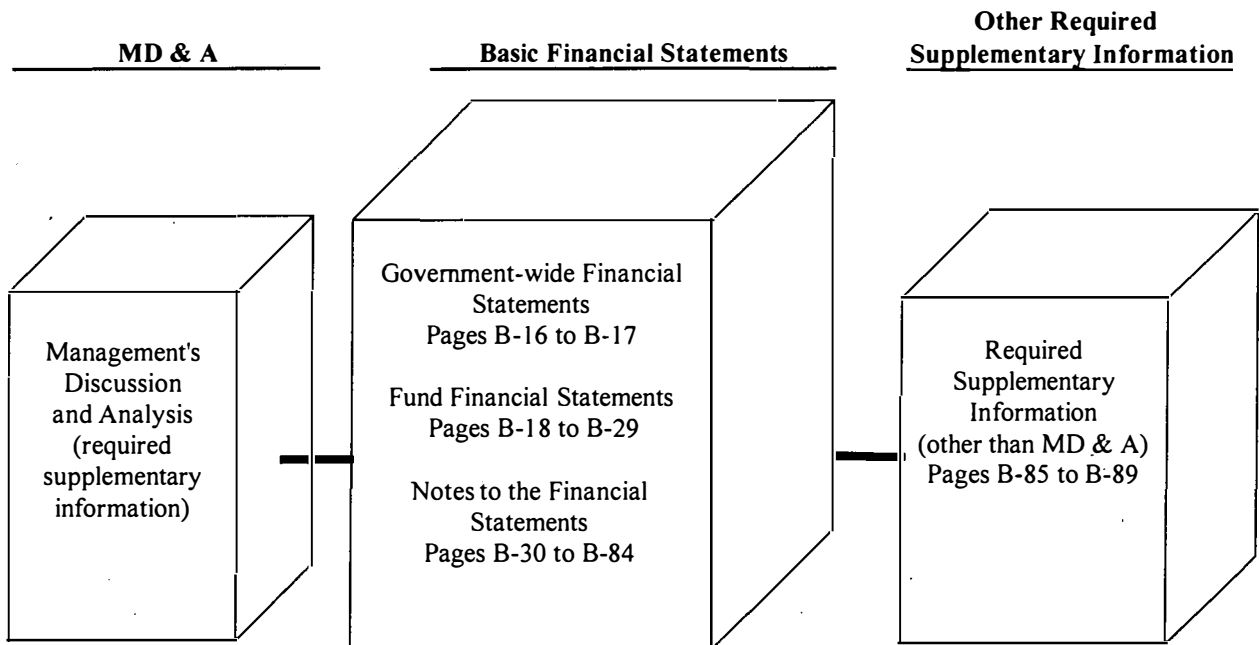
As management of the City of Tarpon Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 to A-5 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$144,787,630 (net position). Of this amount, \$22,417,821 (unrestricted net position) may be used to meet the governments ongoing obligations to citizens and creditors. The City's total net position increased by \$12,118,749, excluding restatement.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26,285,915, a decrease of \$2,867,422 in comparison with the prior year. The portion of this total amount, \$8,820,443, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,820,443, or 40% of the total general fund expenditures.
- The City's total debt decreased by \$11,987,727 (26%) during the current fiscal year the majority was due to the repayment in full of the Utility System Grant Anticipation Note, Series 2013 for the construction of the Alternative Water Plant. The City debt includes the Utility System Revenue Bonds, Series 2013A for \$35,005,000.

USING THIS ANNUAL REPORT

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



OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds.

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

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

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

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

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

Proprietary funds.

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

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

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

Fiduciary funds.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-30 to B-84 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages B-85 to B-89 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$144,787,630 at the close of fiscal year September 30, 2015.

By far the largest portion of the City's net position (73%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

Statement of Net Position as of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014 Restated		2014		2014 Restated	
	2015	2014 Restated	2015	2014	2015	2014 Restated
Assets						
Current and other assets	\$ 31,113,995	\$ 33,286,849	\$ 20,878,719	\$ 48,119,785	\$ 51,992,714	\$ 81,406,634
Capital assets	48,199,096	45,090,304	90,539,887	66,712,587	138,738,983	111,802,891
Total assets	<u>79,313,091</u>	<u>78,377,153</u>	<u>111,418,606</u>	<u>114,832,372</u>	<u>190,731,697</u>	<u>193,209,525</u>
Deferred Outflows of Resources						
Deferred Outflows of Resources	<u>2,651,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,651,796</u>	<u>-</u>
Liabilities						
Current and other liabilities	2,406,339	1,395,335	4,049,223	7,141,214	6,455,562	8,536,549
Long-term debt outstanding:						
Due within one year	77,446	74,773	837,252	808,066	914,698	882,839
Due in more than one year	<u>5,764,327</u>	<u>3,926,882</u>	<u>34,925,775</u>	<u>46,927,918</u>	<u>40,690,102</u>	<u>50,854,800</u>
Total liabilities	<u>8,248,112</u>	<u>5,396,990</u>	<u>39,812,250</u>	<u>54,877,198</u>	<u>48,060,362</u>	<u>60,274,188</u>
Deferred Inflows of Resources						
Deferred Inflows of Resources	<u>508,260</u>	<u>221,015</u>	<u>27,241</u>	<u>45,441</u>	<u>535,501</u>	<u>266,456</u>
Net Position						
Net investment in capital assets	48,199,096	45,090,304	57,038,372	47,376,740	105,237,468	92,467,044
Restricted	11,331,250	13,233,342	5,801,091	5,647,475	17,132,341	18,880,817
Unrestricted	<u>13,678,169</u>	<u>14,435,502</u>	<u>8,739,652</u>	<u>6,885,518</u>	<u>22,417,821</u>	<u>21,321,020</u>
Total net position	<u>\$ 73,208,515</u>	<u>\$ 72,759,148</u>	<u>\$ 71,579,115</u>	<u>\$ 59,909,733</u>	<u>\$ 144,787,630</u>	<u>\$ 132,668,881</u>

During FY 2015 the City adopted GASB 68 and 71, Accounting for Pension Obligations, and as required made certain prior period adjustments relating to the implementation of GASB 68 and 71. See Note IV-H in the Notes to the Financial Statements for additional information related to this restatement.

An additional portion of the City's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$22,417,821) 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 \$12,118,749 during the current fiscal year, excluding GASB 68 restatement.

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

Statement of Activities

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

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 Restated	2015	2014	2015	2014 Restated
REVENUES						
Program Revenues:						
Charges for services	\$ 3,575,052	\$ 3,656,942	\$ 20,643,352	\$ 19,632,957	\$ 24,218,404	\$ 23,289,899
Operating grants and contributions	708,400	917,380	-	-	708,400	917,380
Capital grants and contributions	386,754	375,687	11,048,730	6,388,338	11,435,484	6,764,025
General revenues:						
Property taxes	7,378,925	6,972,982	-	-	7,378,995	6,972,982
Property taxes- TIF County portion	151,086	135,007	-	-	151,086	135,007
Utility taxes	2,778,970	2,796,901	-	-	2,778,970	2,796,901
Communication service taxes	967,373	1,024,720	-	-	967,373	1,024,720
Sales, gas and other taxes	4,121,570	3,880,671	-	-	4,121,570	3,880,671
Franchise fees	1,777,207	1,765,945	-	-	1,777,207	1,765,945
State revenue sharing	763,051	708,168	-	-	763,051	708,168
Investment income	304,826	173,212	239,449	199,643	544,275	372,855
Miscellaneous	509,088	867,571	-	-	509,088	867,571
Total revenues	23,422,372	23,275,186	31,931,531	26,220,938	55,353,903	49,496,124
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	3,194,628	3,017,621	-	-	3,194,628	3,017,621
Public safety	13,021,016	12,723,797	-	-	13,021,016	12,723,797
Physical environment	994,433	1,171,151	-	-	994,433	1,171,151
Transportation	2,267,686	2,315,266	-	-	2,267,686	2,315,266
Economic environment	452,117	457,145	-	-	452,117	457,145
Culture/recreation	4,083,635	4,002,625	-	-	4,083,635	4,002,625
Interest on long-term debt	-	3,526	-	-	-	3,526
Business-type Activities:						
Water/Sewer	-	-	12,745,072	11,328,461	12,745,072	11,328,461
Sanitation	-	-	4,106,003	3,892,966	4,106,003	3,892,966
Storm water	-	-	1,003,463	835,943	1,003,463	835,943
Golf Course	-	-	1,257,698	1,111,819	1,257,698	1,111,819
Marina	-	-	109,403	92,019	109,403	92,019
Total expenses	24,013,515	23,691,131	19,221,639	17,261,208	43,235,154	40,952,339
Increase (decrease) in Net Position before Transfers	(591,143)	(415,945)	12,709,892	8,959,730	12,118,749	8,543,785
Transfers	1,040,510	951,553	(1,040,510)	(951,553)	-	-
Increase in Net Position	449,367	535,608	11,669,382	8,008,177	12,118,749	8,543,785
Net Position - Beginning of year	72,759,148	75,041,505	59,909,733	51,901,556	132,668,881	126,943,061
Restatement of Net Position-						
Prior Period Adjustment	-	(2,817,965)	-	-	-	(2,817,965)
Net Position - Beginning of year Restated	72,759,148	72,223,540	59,909,733	51,901,556	132,668,881	124,125,096
Net Position - End of year	\$ 73,208,515	\$ 72,759,148	\$ 71,579,115	\$ 59,909,733	\$ 144,787,630	\$ 132,668,881

Governmental activities.

Governmental activities increased the City's net position by \$449,367 thereby accounting for a 3.71% increase in the total growth in the net position of the City. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

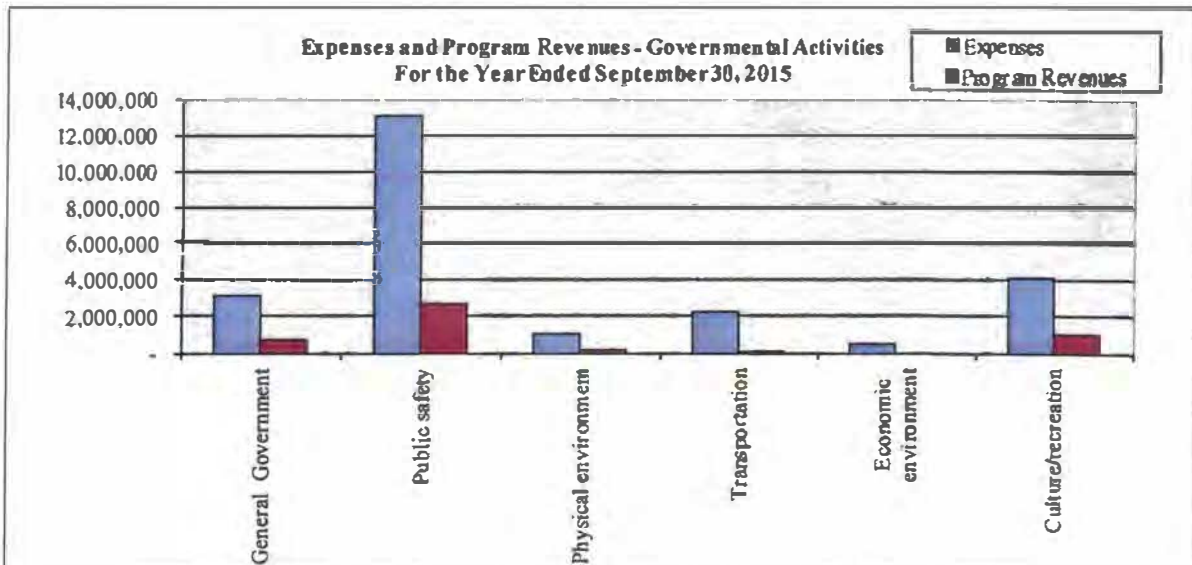
Total Governmental activity revenues increased \$147,186 in comparison to the previous year. The major changes were:

Ad Valorem Taxes:

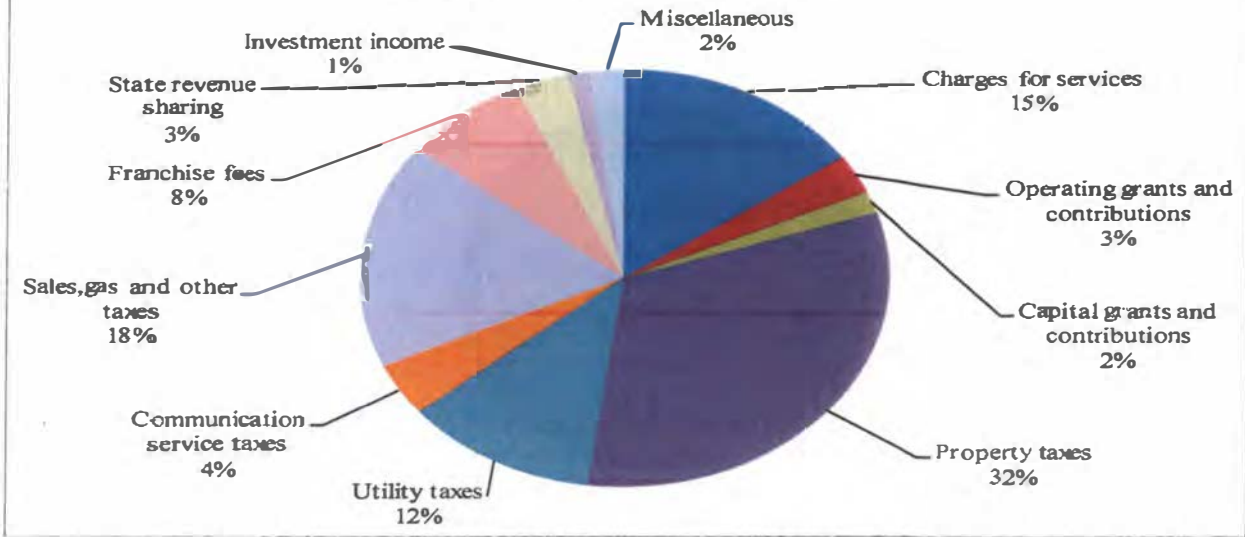
Property Taxes General Fund	\$ 427,424	Taxable Assessed Value increase of 6.38%
Property Taxes-Delinquent-General Fund	\$ (37,950)	Refund per Tax Collector
Property Taxes CRA Fund	\$ 16,539	Taxable Assessed Value increase of 4.73%
Utility Tax Electric	\$ (54,653)	Conservation efforts
Communication Service Tax	\$ (57,347)	Land line decrease
Half Cent Sales Tax	\$ 78,804	Improved economy increase in sales tax
One Cent Local Option Sales Tax (Penny)	\$ 151,799	Improved economy increase in sales tax
State Revenue Sharing	\$ 54,883	Improved economy increase in sales tax
Building Pennits	\$ 58,445	Improved economy construction increase
EMS Fees	\$ 424,615	New EMS contract with County
Land Sales	\$ (802,669)	Nursing Home land sale in FY 2014
Performing Arts Ticket Sales	\$ (69,080)	Decrease in performances
ROW - Right of Way	\$ 122,242	New - ROW fees to be reserved for ROW acquisitions
Tree Bank Receipts	\$ (530,876)	Tree replacement fee from developer in FY 2014 \$484,000
Interest Earnings	\$ 131,614	Increased rate of return on investments

Total Governmental activity expenses increased \$322,384 in comparison to the previous year. The major changes were:

General Government	\$ 177,007	Salary Increases
Public Safety	\$ 297,219	Salary Increases
Physical Environment	\$ (176,718)	City Engineer Dept transferred to Building Development
Transportation	\$ (47,580)	City Engineer Dept transferred to Building Development
Culture/Recreation	\$ 81,010	Operating Expenditure decrease
		Salary Increases



**Revenues by Source-Governmental Activities
For the Year Ended September 30, 2015**



Business-type activities.

Business-type activities (enterprise funds) increased the City's net position by \$11,669,382, accounting for 96.29% of the total growth in the governments net position. The change in net position increased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

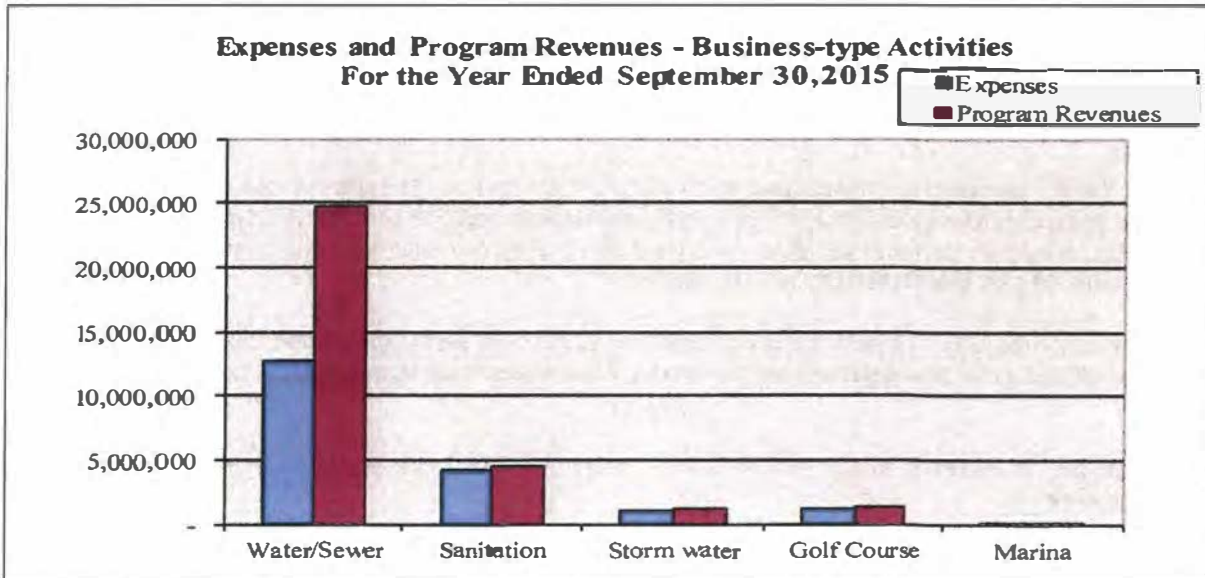
Total Business-type activity revenues increased \$5,710,593 in comparison to the previous year. The major changes were:

Charges for Services:

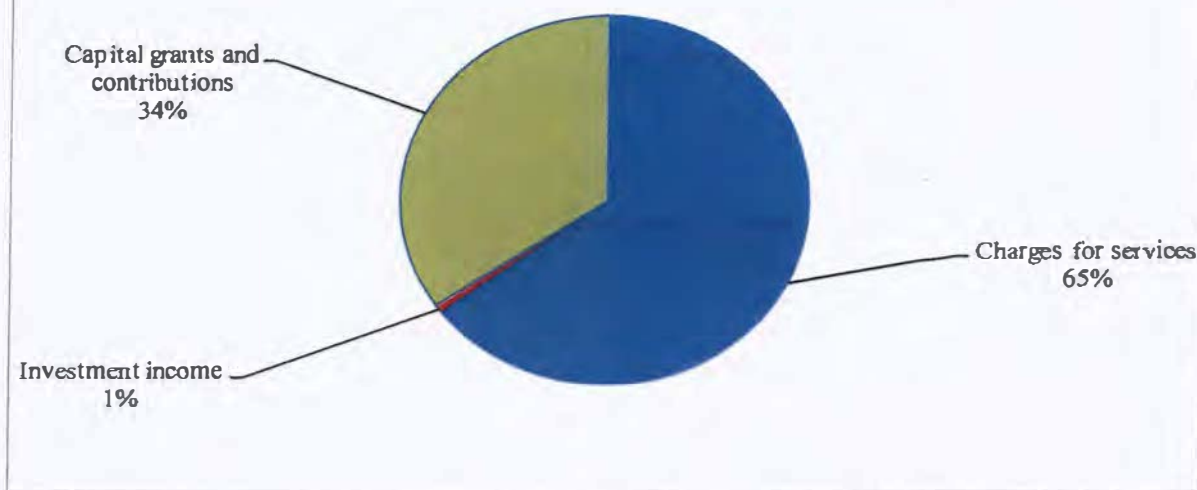
Sanitation Fees	\$ 144,009	1.39% Rate Increase
Water Sales	\$ 392,179	9.50% Rate Increase
Sewer Sales	\$ 98,959	3.00% Rate Increase
SWFMD Grant - Water Plant	\$ 4,356,703	

Total Business-type activity expenses increased \$1,960,431 in comparison to the previous year. This increase is due to new expenses in the start-up of the new water plant and salary increases.

**Expenses and Program Revenues - Business-type Activities
For the Year Ended September 30, 2015**



**Revenues by Source-Business-type Activities
For the Year Ended September 30, 2015**



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 \$26,285,915, a decrease of \$2,867,422 in comparison with the prior year. The majority of this total amount (\$8,820,443) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned. Major restrictions, commitments or assignments include 1) restricted for capital projects (\$6,267,393), 2) committed for perpetual care of the cemetery (\$2,041,976), and 3) assigned for compensated absences (\$1,158,865).

General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,820,443, while total fund balance was \$15,686,422. 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 40% of total General Fund expenditures.

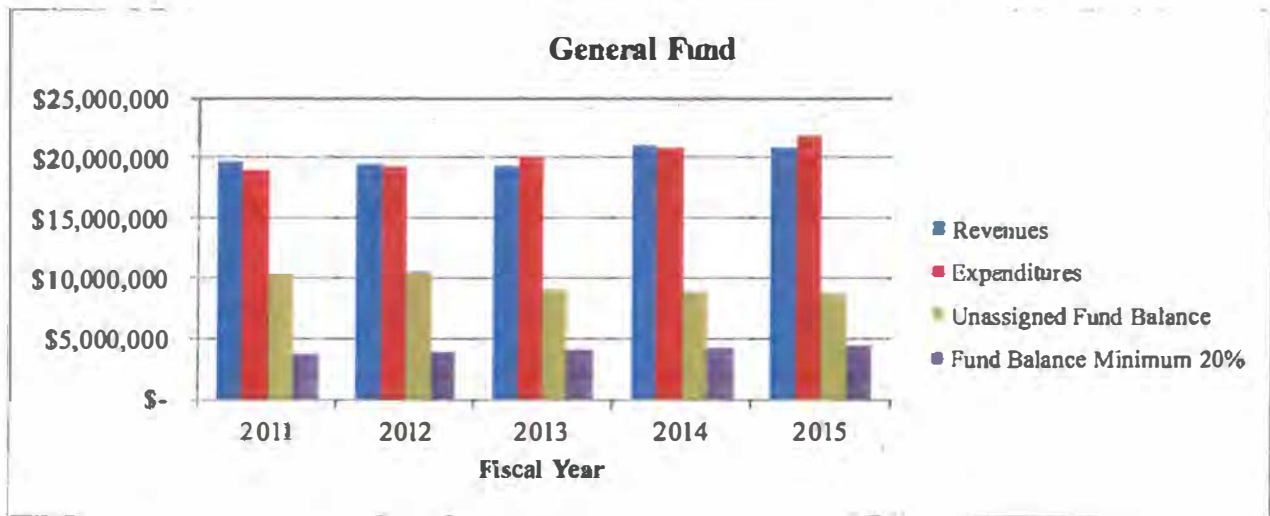
The fund balance of the City's General Fund decreased by \$1,090,298 during the current fiscal year, a decrease in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In totaled \$20,815,639, a decrease of \$112,012 under the previous fiscal year. The major changes were:

Property Taxes	\$ 427,424	Taxable Assessed Value increase of 6.38%
Utility Tax Electric	\$ (54,653)	Conservation efforts
Communication Service Tax	\$ (57,347)	Land line decrease
Half Cent Sales Tax	\$ 78,804	Improved economy increase in sales tax
State Revenue Sharing	\$ 54,883	Improved economy increase in sales tax
Building Permits	\$ 58,445	Improved economy construction increase
EMS Fees	\$ 424,615	New EMS contract with County
Land Sales	\$ (702,669)	Nursing Home land sale in FY 2014
Performing Arts Ticket Sales	\$ (69,080)	Decrease in performances
ROW - Right of Way	\$ 122,242	New - ROW fees to be reserved for ROW acquisitions
Tree Bank Receipts	\$ (530,876)	Tree replacement fee from developer in FY 2014 \$484,000
Interest Earnings	\$ 64,896	Increased rate of return on investments

Expenditures including Transfers Out totaled \$21,905,937, an increase of \$1,034,802 over the previous fiscal year. The major increases were for Capital Outlay \$411,920 and the remaining to cover salary increases.

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



Community Redevelopment Agency Fund.

The fund balance of the City's Community Redevelopment Agency Fund increased by \$247,585 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$379,828 an increase of \$82,647 over the previous fiscal year. Property Tax receipts (City portion) increased \$16,539 and Tax Increment Financing receipts (County portion) increased \$16,079 (due to increasing property values) and there was a sale of City property within the CRA for \$43,503.
- Expenditures were \$132,243, a decrease of \$71,382 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.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund decreased by \$1,782,955 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$2,278,063 an increase of \$167,716 from the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by \$151,799 over the previous fiscal year, County Fire reimbursement \$51,256 and Interest Earnings increased \$35,625. Intergovernmental revenue decreased \$103,001 due to \$103,001 was received from the County for Bayou Shoreline Restoration in FY 2014.

- Expenditures were \$4,061,018, an increase of \$1,877,283 over the previous fiscal year. The major items were, new Fire Truck \$567,390, Sponge Docks Project \$995,210, Police & Fire Radios \$466,890, L&R Industrial Blvd. \$578,466.

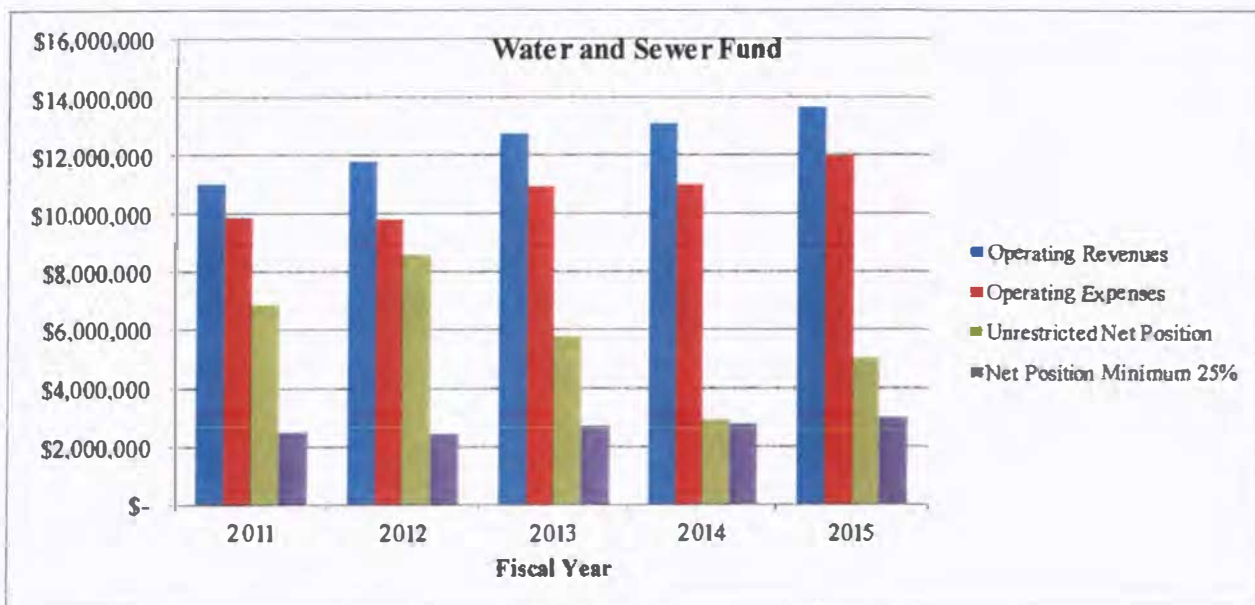
Proprietary Funds.

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

Water and Sewer Fund.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,002,938, and total growth in net position for the year was \$11,507,379, an increase over the change noted in the previous fiscal year. This year operating revenues increased \$558,704, water sales increased \$392,179 or 5.68% (9.50% rate increase), sewer sales increased \$98,959 or 1.91% (3% rate increase). SWFWMD (Southwest Florida Water Management District) grant funding for the Alternative Water Plant was received in the amount of \$10,369,007. Operating expenses increased \$968,342 due to new positions for the water plant and supplies.

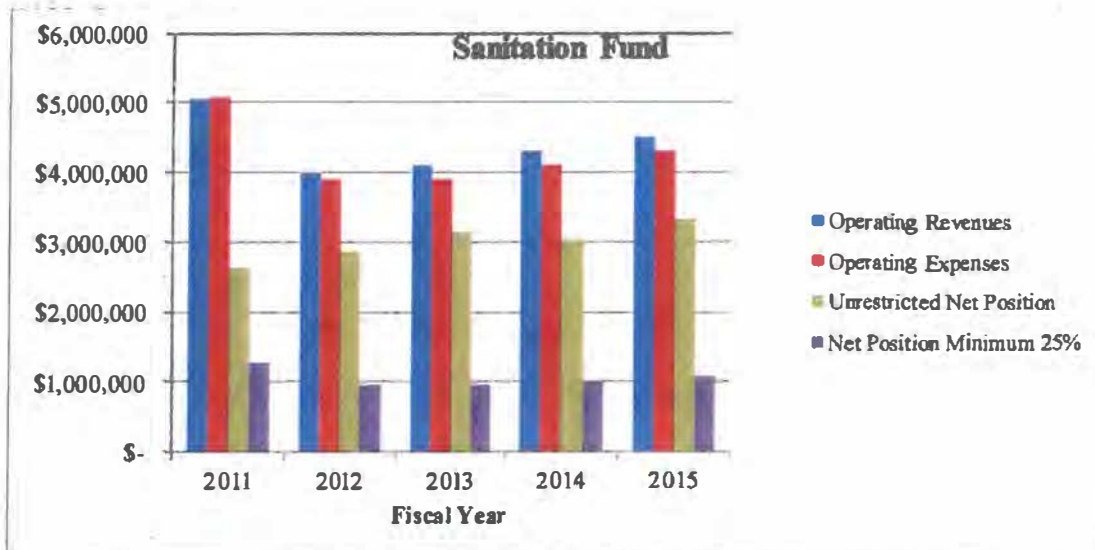
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum.



Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to \$3,321,511, and total growth in net position for the year was \$245,837, slightly more than the previous fiscal year. Fiscal Year 2015 was the fourth year of the five year contract with the City’s garbage contractor. This year operating revenues increased \$210,315, sanitation fees increased \$144,009, recycling fees increased \$6,362 and yard waste fees (not part of the garbage contract) increased \$25,448. Operating expenses increased \$216,699. The City administration portion remained at 20% in order to cover the operational expenses.

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



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

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund was an increase of \$2,050,217. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of \$506,075 for outstanding encumbrances from FY 2014 carried over to FY 2015.
- An increase of \$264,696 for outstanding donations from FY 2014 carried over to FY 2015.
- An increase of \$250,000 for Tree bank funds from FY 2014 carried over to FY 2015.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of \$2,012,869. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of \$909,076 in Capital Outlay due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$231,365 in Non-departmental due to items budgeted but not expensed as of fiscal year end.
- A positive variance of \$205,785 in Tree bank 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, 2015, amounts to \$138,738,983 (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 24.09% (\$26,936,092). Separately there was a 6.89% (\$3,108,792) increase for governmental activities and a 35.72% (\$23,827,300) increase for business-type activities.

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

Governmental activities – Bayou Shoreline Restoration \$1,213,346, new Fire Truck \$567,390, new Police and Fire Radios \$466,890

Business-type activities – Lake Tarpon Phase II completed \$2,749,530, and \$23,298,347 of expenses in fiscal year 2015 towards the construction and completion of the new Alternative Water Plant.

Capital Assets at Year-End Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land and land rights	\$ 5,235,802	\$ 5,179,829	\$ 3,287,697	\$ 2,822,414	\$ 8,523,499	\$ 8,002,243
Buildings and improvements	6,836,829	7,177,134	1,500,760	1,165,452	8,337,589	8,342,586
Improvements other than buildings	5,874,756	5,325,417	77,524,823	28,911,242	83,399,579	34,236,659
Machinery and equipment	3,651,362	2,540,817	2,218,968	1,658,480	5,870,330	4,199,297
Infrastructure	<u>20,358,227</u>	<u>20,186,121</u>	-	-	<u>20,358,227</u>	<u>20,186,121</u>
Total	41,956,976	40,409,318	84,532,248	34,557,588	126,489,224	74,966,906
Construction in progress	<u>6,242,120</u>	<u>4,680,986</u>	<u>6,007,639</u>	<u>32,154,999</u>	<u>12,249,759</u>	<u>36,835,985</u>
Total	<u>\$ 48,199,096</u>	<u>\$ 45,090,304</u>	<u>\$ 90,539,887</u>	<u>\$ 66,712,587</u>	<u>\$ 138,738,983</u>	<u>\$ 111,802,891</u>

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

Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$ 45,090,304	\$ 66,712,587	\$ 111,802,891
Additions	4,700,530	52,448,283	57,148,813
Construction in progress	1,561,134	(26,147,360)	(24,586,226)
Retirements	(16,104)	(26,448)	(42,552)
Depreciation	<u>(3,136,768)</u>	<u>(2,447,175)</u>	<u>(5,583,943)</u>
Ending Balance	<u>\$ 48,199,096</u>	<u>\$ 90,539,887</u>	<u>\$ 138,738,983</u>

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$35,005,000 which comprises bonds secured solely by specified revenue sources.

The City's total debt decreased by \$11,987,727 (26%) during the current fiscal year. The Utility System Grant Anticipation Note, Series 2013 had principal prepayments of \$11,197,727 which paid the remaining balance on the Note leaving a zero balance at September 30, 2015.

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

Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Utility Grant Anticipation Note	\$ -	\$ -	\$ -	\$ 11,197,727	\$ -	\$ 11,197,727
Utility Revenue Bonds	-	-	35,005,000	35,795,000	35,005,000	35,795,000
Total	\$ -	\$ -	\$ 35,005,000	\$ 46,992,727	\$ 35,005,000	\$ 46,992,727

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

Additional information on the City's long-term debt can be found in Note III-F on pages B-60 to B-63 of the notes.

ECONOMIC FACTORS

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

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

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

Construction activity within the City increased slightly in FY 2015. 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.

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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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,421,037	\$ 4,493,992	\$ 12,915,029
Investments	20,280,966	6,257,139	26,538,105
Receivables (net of allowance)	866,147	2,047,972	2,914,119
Due from other governments	599,929	-	599,929
Internal balances	753,859	(753,859)	-
Inventories	46,841	201,543	248,384
Prepaid items	145,216	141,436	286,652
Restricted assets:			
Cash and cash equivalents	-	8,190,428	8,190,428
Receivables	-	30,535	30,535
Due from other governments	-	269,533	269,533
Capital Assets:			
Land and land rights	5,235,802	3,287,697	8,523,499
Buildings and improvements	18,742,845	1,843,635	20,586,480
Improvements other than buildings	10,703,953	108,161,256	118,865,209
Machinery and equipment	10,835,906	6,109,597	16,945,503
Infrastructure	44,462,598	-	44,462,598
Construction in progress	6,242,120	6,007,639	12,249,759
Accumulated depreciation	(48,024,128)	(34,869,937)	(82,894,065)
Total Assets	<u>79,313,091</u>	<u>111,418,606</u>	<u>190,731,697</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows of resources related to pension plans.	<u>2,651,796</u>	<u>-</u>	<u>2,651,796</u>
LIABILITIES			
Accounts payable	1,649,470	572,078	2,221,548
Accrued liabilities	258,580	85,236	343,816
Contracts payable	146,117	512,117	658,234
Deposits	17,105	-	17,105
Unavailable revenue	335,067	16,011	351,078
Payable from restricted assets:			
Accounts payable	-	747,058	747,058
Contracts payable	-	512,300	512,300
Customer deposits	-	1,604,423	1,604,423
Non Current Liabilities			
Due Within One Year:			
Bonds payable	-	820,000	820,000
Compensated absences	66,250	17,252	83,502
Claims payable	11,196	-	11,196
Due In More Than One Year:			
Bonds payable	-	34,185,000	34,185,000
Other postemployment benefits	224,785	112,416	337,201
Unamortized bond premium	-	427,306	427,306
Compensated absences	1,109,671	201,053	1,310,724
Net pension liability	4,235,214	-	4,235,214
Claims payable	194,657	-	194,657
Total Liabilities	<u>8,248,112</u>	<u>39,812,250</u>	<u>48,060,362</u>
DEFERRED INFLOWS OF RESOURCES			
Local business tax-future year	155,573	-	155,573
Mausoleum revenue-future year	7,183	-	7,183
Sewer impacts/connections-future year	-	27,241	27,241
Deferred inflows of resources related to pension plans	345,504	-	345,504
Total Deferred Inflows of Resources	<u>508,260</u>	<u>27,241</u>	<u>535,501</u>
NET POSITION			
Net investment in capital assets	48,199,096	57,038,372	105,237,468
Restricted for :			
Capital projects - optional sales tax	4,778,339	-	4,778,339
Capital projects - impact fee programs	1,671,736	2,421,486	4,093,222
Transportation	510,733	-	510,733
CRA	431,297	-	431,297
Lawenforcement programs	241,003	-	241,003
Grant programs	75,121	-	75,121
Special programs	457,247	-	457,247
Other contractual obligations	965,774	666,807	1,632,581
Loan receivable	200,000	-	200,000
Street and sidewalk per Charter	2,000,000	-	2,000,000
Bond reserve	-	2,053,133	2,053,133
Bond renewal and replacement	-	659,665	659,665
Unrestricted	13,678,169	8,739,652	22,417,821
Total Net Position	<u>\$ 73,208,515</u>	<u>\$ 71,579,115</u>	<u>\$ 144,787,630</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 3,194,628	\$ 657,837	\$ -	\$ 24,501	\$ (2,512,290)	\$ -	\$ (2,512,290)
Public safety	13,021,016	2,392,264	107,678	162,678	(10,358,396)	-	(10,358,396)
Physical environment	994,433	168,483	18,275	-	(807,675)	-	(807,675)
Transportation	2,267,686	-	49,087	55,308	(2,163,291)	-	(2,163,291)
Economic environment	452,117	-	-	-	(452,117)	-	(452,117)
Culture/recreation	4,083,635	356,468	533,360	144,267	(3,049,540)	-	(3,049,540)
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities	24,013,515	3,575,052	708,400	386,754	(19,343,309)	-	(19,343,309)
Business-Type Activities:							
Water/Sewer	12,745,072	13,626,383	-	11,048,730	-	11,930,041	11,930,041
Sanitation	4,106,003	4,501,118	-	-	-	395,115	395,115
Storm Water	1,003,463	1,144,356	-	-	-	140,893	140,893
Golf Course	1,257,698	1,300,411	-	-	-	42,713	42,713
Marina	109,403	71,084	-	-	-	(38,319)	(38,319)
Total business-type activities	19,221,639	20,643,352	-	11,048,730	-	12,470,443	12,470,443
Total primary government	\$ 43,235,154	\$ 24,218,404	\$ 708,400	\$ 11,435,484	(19,343,309)	12,470,443	(6,872,866)
General Revenues:							
Taxes:							
Property taxes					7,378,995	-	7,378,995
Property taxes - Tax Increment							
Financing (TIF) - County portion					151,086	-	151,086
Utility taxes					2,778,970	-	2,778,970
Communication service taxes					967,373	-	967,373
Half-cent sales tax					1,450,989	-	1,450,989
Local option gas tax					312,407	-	312,407
Local option sales tax					2,139,530	-	2,139,530
Local business tax					161,021	-	161,021
Other taxes					57,623	-	57,623
Franchise fees					1,777,207	-	1,777,207
State revenue sharing					763,051	-	763,051
Investment income					304,826	239,449	544,275
Miscellaneous					509,088	-	509,088
Transfers					1,040,510	(1,040,510)	-
Total General Revenues					19,792,676	(801,061)	18,991,615
Change in Net Position					449,367	11,669,382	12,118,749
Net Position - Beginning					75,577,113	59,909,733	135,486,846
Restatement of Net Position due to Prior Period Adjustment					(2,817,965)	-	(2,817,965)
Net Position - Beginning Restated					72,759,148	59,909,733	132,668,881
Net Position - Ending					\$ 73,208,515	\$ 71,579,115	\$ 144,787,630

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

**CITY OF TARPON SPRINGS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,550,743	\$ 529,389	\$ 1,781,277	\$ 2,010,011	\$ 7,871,420
Investments	11,871,920	600,000	3,002,769	3,553,031	19,027,720
Accounts receivable - net of allowance for doubtful accounts	340,222	-	-	-	340,222
Taxes receivable	475,965	-	-	-	475,965
Due from other funds (deficit in pooled cash)	753,859	-	-	-	753,859
Due from other governments	191,116	-	351,954	56,859	599,929
Advance to other fund	-	-	693,415	-	693,415
Prepaid items	142,021	633	-	60	142,714
Inventories	5,915	-	-	-	5,915
Total Assets	\$ 17,331,761	\$ 1,130,022	\$ 5,829,415	\$ 5,619,961	\$ 29,911,159
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 367,077	\$ 873	\$ 904,959	\$ 227,201	\$ 1,500,110
Accrued liabilities	250,406	1,427	-	2,903	254,736
Contracts payable	-	-	146,117	-	146,117
Deposits	14,095	3,010	-	-	17,105
Advance from other fund	520,129	693,415	-	-	1,213,544
Unavailable revenue	330,876	-	-	-	330,876
Total Liabilities	1,482,583	698,725	1,051,076	230,104	3,462,488
Deferred Inflows of Resources:					
Local business tax-future year	155,573	-	-	-	155,573
Mausoleum revenue-future year	7,183	-	-	-	7,183
Total Deferred Inflows of Resources	162,756	-	-	-	162,756
Fund Balances:					
Nonspendable:					
Inventory	5,915	-	-	-	5,915
Prepaid items	142,021	633	-	60	142,714
Advance to other fund	-	-	693,415	-	693,415
Loan receivable	200,000	-	-	-	200,000
Street and sidewalk per Charter, nonexpendable	-	-	-	2,000,000	2,000,000
Restricted for:					
Donations received	254,281	-	-	-	254,281
Capital projects - impact fee programs	-	-	-	1,671,736	1,671,736
CRA	-	430,664	-	-	430,664
Capital projects - optional sales tax	-	-	4,084,924	-	4,084,924
Transportation	-	-	-	510,733	510,733
Law enforcement programs	-	-	-	241,051	241,051
Library	-	-	-	65,097	65,097
Public art program	-	-	-	331,865	331,865
Land preservation	-	-	-	60,225	60,225
Physical environment	-	-	-	75,073	75,073
Committed to:					
Cemetery	2,041,976	-	-	-	2,041,976
Tree bank	597,297	-	-	-	597,297
Right of way	122,242	-	-	-	122,242
Employee benefit cost deferral	-	-	-	434,017	434,017
Assigned to:					
Compensated absences	1,158,865	-	-	-	1,158,865
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	643,490	-	-	-	643,490
Insurance	396,361	-	-	-	396,361
Land reserve	576,739	-	-	-	576,739
Nursing home proceeds	253,222	-	-	-	253,222
City building improvements	123,824	-	-	-	123,824
Fire reserve	68,489	-	-	-	68,489
Other contractual obligations	231,257	-	-	-	231,257
Unassigned:	8,820,443	-	-	-	8,820,443
Total Fund Balances	15,686,422	431,297	4,778,339	5,389,857	26,285,915
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,331,761	\$ 1,130,022	\$ 5,829,415	\$ 5,619,961	\$ 29,911,159

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, 2015

Fund balances - total governmental funds \$ 26,285,915

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	\$ 95,657,677	
Less accumulated depreciation	<u>(47,828,861)</u>	47,828,816

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

Deferred outflows of resources related to pension plans.		2,651,796
--	--	-----------

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

Compensated absences	(1,171,069)	
Other postemployment benefits	<u>(215,934)</u>	(1,387,003)

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

Net pension liability	(4,235,214)	
Deferred inflows of resources related to pension plans	<u>(345,504)</u>	(4,580,718)

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

		45,854
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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.

		<u>2,363,855</u>
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Net position of governmental activities.	\$	<u><u>73,208,515</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, 2015

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 11,132,416	\$ 153,943	\$ 2,139,530	\$ 312,407	\$ 13,738,296
Permits and fees	2,035,461	-	-	333,253	2,368,714
Intergovernmental	2,429,034	151,086	-	292,707	2,872,827
Charges for services	2,567,829	-	51,256	5,333	2,624,418
Fines and forfeitures	106,857	-	-	21,530	128,387
Other	1,303,532	74,799	87,277	193,476	1,659,084
Total Revenues	19,575,129	379,828	2,278,063	1,158,706	23,391,726
Expenditures:					
Current:					
General Government:					
Board of commissioners	142,456	-	-	-	142,456
City manager	288,278	-	-	-	288,278
Financial administration	492,793	-	-	-	492,793
Human resources	261,739	-	-	-	261,739
Purchasing	220,738	-	-	-	220,738
Management information services	392,988	-	-	-	392,988
City attorney	177,314	-	-	-	177,314
Planning	203,757	-	-	-	203,757
City clerk	267,249	-	-	-	267,249
Non-departmental	523,087	-	-	-	523,087
	<u>2,970,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,970,399</u>
Public Safety:					
Police	6,810,524	-	-	76,912	6,887,436
Fire/ems/emergency management	4,811,905	-	-	-	4,811,905
Protective inspections	828,991	-	-	-	828,991
	<u>12,451,420</u>	<u>-</u>	<u>-</u>	<u>76,912</u>	<u>12,528,332</u>
Physical Environment:					
City buildings/grounds	552,374	-	-	-	552,374
Cemetery	243,636	-	-	-	243,636
Other	67,323	-	-	11,745	79,068
	<u>863,333</u>	<u>-</u>	<u>-</u>	<u>11,745</u>	<u>875,078</u>
Transportation:					
Roads and streets	1,046,882	-	-	-	1,046,882
	<u>1,046,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,046,882</u>
Economic Environment:					
Other	116,500	129,414	-	-	245,914
	<u>116,500</u>	<u>129,414</u>	<u>-</u>	<u>-</u>	<u>245,914</u>
Culture and Recreation:					
Library	933,387	-	-	-	933,387
Parks and recreation	1,497,824	-	-	-	1,497,824
Cultural	891,123	-	-	-	891,123
Other	-	-	-	220,521	220,521
	<u>3,322,334</u>	<u>-</u>	<u>-</u>	<u>220,521</u>	<u>3,542,855</u>
Capital Outlay					
	<u>1,135,069</u>	<u>2,829</u>	<u>4,061,018</u>	<u>891,282</u>	<u>6,090,198</u>
Total Expenditures	21,905,937	132,243	4,061,018	1,200,460	27,299,658
Excess of Revenues Over (Under) Expenditures	(2,330,808)	247,585	(1,782,955)	(41,754)	(3,907,932)
Other Financing Sources (Uses):					
Transfers in	1,240,510	-	-	162,000	1,402,510
Transfers out	-	-	-	(362,000)	(362,000)
Total Other Financing Sources (Uses)	1,240,510	-	-	(200,000)	1,040,510
Net Change in Fund Balances	(1,090,298)	247,585	(1,782,955)	(241,754)	(2,867,422)
Fund Balances - Beginning of Year	16,776,720	183,712	6,561,294	5,631,611	29,153,337
Fund Balances - End of Year	\$ 15,686,422	\$ 431,297	\$ 4,778,339	\$ 5,389,857	\$ 26,285,915

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, 2015**

Net change in fund balances - total governmental funds		\$ (2,867,422)
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	\$ 6,090,198	
Less current year depreciation	<u>(3,100,534)</u>	2,989,664
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.		
		(15,757)
Deferred outflows of resources related to pension plans.		
		2,651,796
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		(26,571)
Revenues which do not provide current financial resources and are not reported in the governmental funds.		
Current year change in accrued interest		9,986
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Current year change in compensated absences	21,812	
Net pension liability	(1,741,786)	
Deferred inflows of resources related to pension plans	<u>(345,504)</u>	(2,065,478)
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>(226,851)</u>
Change in net position of governmental activities.	\$	<u><u>449,367</u></u>

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 11,016,500	\$ 11,079,008	\$ 11,132,416	\$ 53,408
Permits and fees	1,872,050	1,982,218	2,035,461	53,243
Intergovernmental	2,244,287	2,424,016	2,429,034	5,018
Charges for services	2,483,873	2,569,312	2,567,829	(1,483)
Fines and forfeitures	185,600	185,600	106,857	(78,743)
Other	818,491	875,691	1,303,532	427,841
Total Revenues	18,620,801	19,115,845	19,575,129	459,284
Expenditures:				
Current:				
General Government:				
Board of commissioners	128,860	142,509	142,456	53
City manager	282,883	288,279	288,278	1
Financial administration	482,539	513,334	492,793	20,541
Human resources	272,735	278,412	261,739	16,673
Purchasing	225,794	230,026	220,738	9,288
Management information services	372,950	394,781	392,988	1,793
City attorney	162,841	177,314	177,314	-
Planning	235,448	270,608	203,757	66,851
City clerk	286,155	290,365	267,249	23,116
Non-departmental	721,224	754,452	523,087	231,365
	<u>3,171,429</u>	<u>3,340,080</u>	<u>2,970,399</u>	<u>369,681</u>
Public Safety:				
Police	6,536,254	6,860,029	6,810,524	49,505
Fire/ems/emergency management	4,519,847	4,825,597	4,811,905	13,692
Protective inspections	549,996	829,573	828,991	582
	<u>11,606,097</u>	<u>12,515,199</u>	<u>12,451,420</u>	<u>63,779</u>
Physical Environment:				
City engineering	234,173	-	-	-
City buildings/grounds	579,460	610,637	552,374	58,263
Cemetery	260,018	267,555	243,636	23,919
Tree bank	75,000	273,108	67,323	205,785
	<u>1,148,651</u>	<u>1,151,300</u>	<u>863,333</u>	<u>287,967</u>
Transportation:				
Roads and streets	1,115,940	1,127,686	1,046,882	80,804
Economic Environment:				
Economic development	114,453	116,701	116,500	201
Culture and Recreation:				
Library	895,770	1,041,172	933,387	107,785
Parks and recreation	1,517,671	1,630,476	1,497,824	132,652
Cultural	923,309	952,047	891,123	60,924
	<u>3,336,750</u>	<u>3,623,695</u>	<u>3,322,334</u>	<u>301,361</u>
Capital Outlay	1,375,269	2,044,145	1,135,069	909,076
Total Expenditures	21,868,589	23,918,806	21,905,937	2,012,869
Excess of Revenues Over (Under) Expenditures	(3,247,788)	(4,802,961)	(2,330,808)	2,472,153
Other Financing Sources:				
Transfers in	1,398,566	1,398,566	1,240,510	(158,056)
Total Other Financing Sources	1,398,566	1,398,566	1,240,510	(158,056)
Net Change in Fund Balances	(1,849,222)	(3,404,395)	(1,090,298)	2,314,097
Fund Balances - Beginning of Year	16,776,720	16,776,720	16,776,720	-
Fund Balances - End of Year	\$ 14,927,498	\$ 13,372,325	\$ 15,686,422	\$ 2,314,097

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 161,384	\$ 161,384	\$ 153,943	\$ (7,441)
Intergovernmental	158,373	158,373	151,086	(7,287)
Other	1,700	1,700	74,799	73,099
Total Revenues	<u>321,457</u>	<u>321,457</u>	<u>379,828</u>	<u>58,371</u>
Expenditures:				
Current:				
Economic Environment:				
Other	158,205	160,452	129,414	31,038
Capital Outlay	181,900	182,773	2,829	179,944
Total Expenditures	<u>340,105</u>	<u>343,225</u>	<u>132,243</u>	<u>210,982</u>
Net Change in Fund Balances	(18,648)	(21,768)	247,585	269,353
Fund Balances - Beginning of Year	183,712	183,712	183,712	-
Fund Balances - End of Year	<u>\$ 165,064</u>	<u>\$ 161,944</u>	<u>\$ 431,297</u>	<u>\$ 269,353</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, 2015**

	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	\$ 1,967,291	\$ 2,150,192	\$ 376,509	\$ 4,493,992	\$ 549,617
Investments	1,403,932	3,702,357	1,150,850	6,257,139	1,253,246
Receivables:					
Interest	3,669	10,378	2,767	16,814	4,106
Accounts - billed (net)	339,850	1,014,363	96,764	1,450,977	-
Accounts - unbilled	123,902	416,605	39,674	580,181	-
Due from other governments	-	269,533	-	269,533	-
Advance to other fund	323,828	-	-	323,828	520,129
Inventories	-	179,688	21,855	201,543	40,926
Prepaid items	7,619	120,574	13,243	141,436	2,502
Restricted cash and cash equivalents:					
Customer deposits	504,816	1,097,265	-	1,602,081	-
Total Current Assets	<u>4,674,907</u>	<u>8,960,955</u>	<u>1,701,662</u>	<u>15,337,524</u>	<u>2,370,526</u>
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	2,371,185	-	2,371,185	-
Reserve fund	-	2,053,133	-	2,053,133	-
Renewal and replacement fund	-	659,665	-	659,665	-
Construction fund	-	1,504,364	-	1,504,364	-
Receivables:					
Accrued interest	-	8,743	-	8,743	-
Accounts receivable - billed (net)	-	21,792	-	21,792	-
Capital Assets:					
Land and land rights	421,435	2,566,730	299,532	3,287,697	-
Buildings and improvements	49,494	1,295,968	498,173	1,843,635	44,756
Improvements other than buildings	94,253	102,932,812	5,134,191	108,161,256	395,105
Machinery and equipment	506,382	3,318,751	2,284,464	6,109,597	117,238
Accumulated depreciation	(324,801)	(31,624,109)	(2,921,027)	(34,869,937)	(195,267)
Construction in progress	2,400	5,871,733	133,506	6,007,639	8,448
Total Non-Current Assets	<u>749,163</u>	<u>90,980,767</u>	<u>5,428,839</u>	<u>97,158,769</u>	<u>370,280</u>
Total Assets	<u>5,424,070</u>	<u>99,941,722</u>	<u>7,130,501</u>	<u>112,496,293</u>	<u>2,740,806</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	62,049	416,276	93,753	572,078	149,360
Accrued liabilities	6,327	66,227	12,682	85,236	3,844
Contracts payable	424,348	80,664	7,105	512,117	-
Due to other fund (deficit in pooled cash)	-	-	753,859	753,859	-
Advance from other fund	-	-	323,828	323,828	-
Bonds payable	-	820,000	-	820,000	-
Claims payable	-	-	-	-	11,196
Compensated absences	837	15,001	1,414	17,252	3,591
Unavailable revenue	-	3,197	12,814	16,011	4,191
Current Liabilities (payable from restricted assets):					
Accounts payable	-	747,058	-	747,058	-
Contracts payable	-	512,300	-	512,300	-
Customer deposits	504,816	1,097,265	2,342	1,604,423	-
Total Current Liabilities	<u>998,377</u>	<u>3,757,988</u>	<u>1,207,797</u>	<u>5,964,162</u>	<u>172,182</u>
Non-Current Liabilities:					
Bonds payable	-	34,185,000	-	34,185,000	-
Claims payable	-	-	-	-	194,657
Other postemployment benefits	13,824	79,183	19,409	112,416	8,851
Unamortized bond premium	-	427,306	-	427,306	-
Compensated absences	9,748	167,149	24,156	201,053	1,261
Total Non-Current Liabilities	<u>23,572</u>	<u>34,858,638</u>	<u>43,565</u>	<u>34,925,775</u>	<u>204,769</u>
Total Liabilities	<u>1,021,949</u>	<u>38,616,626</u>	<u>1,251,362</u>	<u>40,889,937</u>	<u>376,951</u>
DEFERRED INFLOWS OF RESOURCES					
Sewer impacts/connections-future year	-	27,241	-	27,241	-
Total Deferred Inflows of Resources	<u>-</u>	<u>27,241</u>	<u>-</u>	<u>27,241</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	749,163	50,860,371	5,428,838	57,038,372	370,280
Restricted for:					
Revenue bond reserve requirements	-	2,053,133	-	2,053,133	-
Revenue bond renewal and replacement requirements	-	659,665	-	659,665	-
Capital projects - impact fee program	-	2,421,486	-	2,421,486	-
Other contractual obligations	331,447	300,262	35,098	666,807	563,557
Unrestricted	3,321,511	5,002,938	415,203	8,739,652	1,430,018
Total Net Position	<u>\$ 4,402,121</u>	<u>\$ 61,297,855</u>	<u>\$ 5,879,139</u>	<u>\$ 71,579,115</u>	<u>\$ 2,363,855</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities			Total	Governmental Activities - Internal Service Funds
	Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Operating Revenues:					
Charges for services	\$ 4,473,979	\$ 13,414,971	\$ 2,513,311	\$ 20,402,261	\$ 1,510,907
Other	27,139	194,940	2,540	224,619	18,201
Total Operating Revenues	4,501,118	13,609,911	2,515,851	20,626,880	1,529,108
Operating Expenses:					
Personnel services	415,434	3,740,092	791,945	4,947,471	226,319
Contractual services	3,581,977	3,590,020	781,725	7,953,722	15,458
Supplies	29,045	860,596	212,834	1,102,475	401,281
Repairs and maintenance	22,123	660,216	102,492	784,831	455,845
Utilities	5,040	552,373	87,873	645,286	892
Claims	-	-	-	-	146,724
Insurance	-	-	-	-	493,866
Depreciation	51,326	2,003,028	392,821	2,447,175	36,234
Total Operating Expenses	4,104,945	11,406,325	2,369,690	17,880,960	1,776,619
Operating Income (Loss)	396,173	2,203,586	146,161	2,745,920	(247,511)
Non-Operating Revenues (Expenses):					
Investment income	49,094	163,887	10,864	223,845	15,647
Net change in fair value of investments	8,028	4,158	3,419	15,605	5,013
Interest expense	(914)	(1,308,475)	-	(1,309,389)	-
Amortization of bond premium	-	16,471	-	16,471	-
Other	(144)	(30,272)	(874)	(31,290)	-
Total Non-Operating Revenues (Expenses)	56,064	(1,154,231)	13,409	(1,084,758)	20,660
Income (Loss) before Contributions and Transfers	452,237	1,049,355	159,570	1,661,162	(226,851)
Capital grants and contributions	-	11,048,730	-	11,048,730	-
Transfers out	(206,400)	(590,706)	(243,404)	(1,040,510)	-
	(206,400)	10,458,024	(243,404)	10,008,220	-
Change in Net Position	245,837	11,507,379	(83,834)	11,669,382	(226,851)
Net Position - Beginning of Year	4,156,284	49,790,476	5,962,973	59,909,733	2,590,706
Net Position - End of Year	\$ 4,402,121	\$ 61,297,855	\$ 5,879,139	\$ 71,579,115	\$ 2,363,855

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, 2015

	Business-type Activities				Governmental Activities - Internal Service Funds
	Enterprise Funds			Total	
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Cash flows from operating activities:					
Cash received from customers	\$ 4,471,729	\$ 14,114,778	\$ 2,515,036	\$ 21,101,543	\$ -
Cash payments to suppliers	(3,576,478)	(8,748,073)	(1,253,496)	(13,578,047)	(1,323,224)
Cash payments to employees	(414,529)	(3,698,804)	(775,224)	(4,888,557)	(238,635)
Cash received from other funds	-	-	-	-	1,530,614
Other	(144)	(30,272)	(874)	(31,290)	-
Net cash provided (used) by operating activities	<u>480,578</u>	<u>1,637,629</u>	<u>485,442</u>	<u>2,603,649</u>	<u>(31,245)</u>
Cash flows from noncapital financing activities:					
Transfers out	(206,400)	(590,706)	(243,404)	(1,040,510)	-
Interest paid	(914)	(2,119)	-	(3,033)	-
Advance to other fund	38,965	-	-	38,965	80,949
Advance from other fund	-	-	(38,965)	(38,965)	-
Payment of cash on loans to/from other funds	-	-	140,884	140,884	-
Net cash provided (used) by noncapital financing activities	<u>(168,349)</u>	<u>(592,825)</u>	<u>(141,485)</u>	<u>(902,659)</u>	<u>80,949</u>
Cash flows from capital and related financing activities:					
Principal payments on debt	-	(11,987,727)	-	(11,987,727)	-
Interest payments on debt	-	(1,306,356)	-	(1,306,356)	-
Disposal of capital assets	-	26,236	212	26,448	347
Acquisition and construction of capital assets	(63,934)	(25,396,657)	(840,332)	(26,300,923)	(171,466)
Contributed capital from other governmental entities	-	10,746,655	-	10,746,655	-
Contributed capital - impact fees	-	302,075	-	302,075	-
Net cash used for capital and related financing activities	<u>(63,934)</u>	<u>(27,615,774)</u>	<u>(840,120)</u>	<u>(28,519,828)</u>	<u>(171,119)</u>
Cash flows from investing activities:					
Interest on investments	49,094	163,887	10,864	223,845	15,647
Proceeds of investment sales & maturities	1,500,000	5,060,000	550,000	7,110,000	500,000
Purchase of investments	(1,000,000)	(2,500,000)	(550,000)	(4,050,000)	(750,000)
Net cash provided (used) by investing activities	<u>549,094</u>	<u>2,723,887</u>	<u>10,864</u>	<u>3,283,845</u>	<u>(234,353)</u>
Net increase (decrease) in cash and cash equivalents	797,389	(23,847,083)	(485,299)	(23,534,993)	(355,768)
Cash and cash equivalents at beginning of year	<u>1,674,718</u>	<u>33,682,887</u>	<u>861,808</u>	<u>36,219,413</u>	<u>905,385</u>
Cash and cash equivalents at end of year	<u>\$ 2,472,107</u>	<u>\$ 9,835,804</u>	<u>\$ 376,509</u>	<u>\$ 12,684,420</u>	<u>\$ 549,617</u>
Cash and cash equivalents classified as:					
Cash and cash equivalents	\$ 1,967,291	\$ 2,150,192	\$ 376,509	\$ 4,493,992	\$ 549,617
Restricted cash and cash equivalents - current:					
Customer deposits	504,816	1,097,265	-	1,602,081	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	2,371,185	-	2,371,185	-
Reserve fund	-	2,053,133	-	2,053,133	-
Renewal and replacement fund	-	659,665	-	659,665	-
Construction fund	-	1,504,364	-	1,504,364	-
	<u>\$ 2,472,107</u>	<u>\$ 9,835,804</u>	<u>\$ 376,509</u>	<u>\$ 12,684,420</u>	<u>\$ 549,617</u>

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities			Total	Governmental Activities - Internal Service Funds
	Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 396,173	\$ 2,203,586	\$ 146,161	\$ 2,745,920	\$ (247,511)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Other	(144)	(30,272)	(874)	(31,290)	-
Depreciation expense	51,326	2,003,028	392,821	2,447,175	36,234
Change in assets and liabilities:					
Increase in accounts receivable - interest	(974)	(2,517)	(408)	(3,899)	(2,685)
Increase in accounts receivable - billed (net)	(29,519)	(12,125)	(4,559)	(46,203)	-
(Increase) decrease in unbilled accounts receivable	1,104	(23,720)	(858)	(23,474)	-
Decrease in due from other governments	-	559,183	-	559,183	-
Decrease in inventories	-	5,931	21,530	27,461	11,390
(Increase) decrease in prepaid items	204	8,158	(636)	7,726	31
Increase (decrease) in accounts and contracts payable	50,822	(3,125,311)	(89,741)	(3,164,230)	72,773
Increase in accrued liabilities	2,004	21,290	4,379	27,673	759
Increase in claims payable	-	-	-	-	106,648
Increase in unavailable revenue	-	2,246	5,010	7,256	4,191
Increase in customer deposits	10,681	26,354	275	37,310	-
Increase in other postemployment benefits	2,561	10,790	2,443	15,794	1,236
Increase (decrease) in compensated absences	(3,660)	9,208	9,899	15,447	(14,311)
Decrease in deferred inflows of resources	-	(18,200)	-	(18,200)	-
Total adjustments	84,405	(565,957)	339,281	(142,271)	216,266
Net cash provided (used) by operating activities	\$ 480,578	\$ 1,637,629	\$ 485,442	\$ 2,603,649	\$ (31,245)

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, 2015

	Employee Retirement Funds
Assets	
Cash and cash equivalents	\$ 2,091,099
Accounts receivable	21,968
Interest receivable	106,288
Prepaid items	2,933
Investments, at fair value:	
U.S. Government Securities	8,910,592
Equities Common Stock	27,014,256
Mutual Funds	8,359,863
Corporate Bonds	5,321,508
Real Estate	2,206,421
Total Investments	<u>51,812,640</u>
Total Assets	<u>54,034,928</u>
Liabilities	
Accounts payable	<u>120,000</u>
Total Liabilities	<u>120,000</u>
Net Position	
Held in Trust for Pension Benefits	<u><u>\$ 53,914,928</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, 2015

	<u>Employee Retirement Funds</u>
Additions:	
Contributions:	
Employer	\$ 2,010,095
Plan members	490,228
State of Florida	442,073
Total Contributions	<u>2,942,396</u>
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	(681,624)
Interest	709,251
Dividends	477,588
	<u>505,215</u>
Less Investment Expenses:	
Investment management fees	199,082
	<u>199,082</u>
Net Investment Income	<u>306,133</u>
Total Additions	<u>3,248,529</u>
Deductions:	
Benefits	2,635,681
Refunds of contributions	53,790
Administrative expense	243,516
	<u>2,932,987</u>
Total Deductions	2,932,987
Change in Net Position	315,542
Net Position - Beginning of Year	<u>53,599,386</u>
Net Position - End of Year	<u>\$ 53,914,928</u>

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

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City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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, 2015**

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

The Community Redevelopment Agency (CRA), created by statutory authority of Florida Statute Chapter 163, Part III, and legal authority was created and is governed by City of Tarpon Springs Ordinance 2001-24, although it is legally separate, is reported as if it was part of the City (blended component unit) due to the City Commission serving as the governing board of the CRA and there is a financial benefit or burden relationship between the City and the CRA. All revenues of the CRA are used in the district to fund capital improvements within the district that belong to the City. The operations of the CRA have been incorporated into the City's comprehensive annual financial report as a major governmental fund. Separate financial statements for the CRA are not available.

Related Organization – Tarpon Springs Housing Authority (TSHA):

TSHA is a public housing authority created by City Resolution 1062 (1964), under Section 421.04 of the Florida Statutes. TSHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Commission appoints the governing board, however, the City Commission is not able to impose its will on the TSHA, nor does the City have any responsibility for the budget, debt, financing deficits, or fiscal management of TSHA. Consequently it is not a component unit of the City of Tarpon Springs. Separate audited financial statements of TSHA, as of March 31, 2015; 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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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

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

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

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

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

City of Tarpon Springs, Florida

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

Operating and Non-operating items in Proprietary Funds:

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

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

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

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

Cash and Investments:

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

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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 laddered 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 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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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 \$1,306,356. There was no capitalized interest in Fiscal Year 2015.

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

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**Notes to the Financial Statements
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and exempt employees are allowed to accrue three years. Part-Time employees' accruals are pro-rated based on the scheduled work week. Employees lose the excess vacation accrual without compensation for balances exceeding the allowable limits on October 1st of each year.

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

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

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

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

Long-Term Obligations:

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

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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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Unavailable revenue in the golf course fund is for gift certificates and rainchecks that will be redeemed in the next 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 Position:

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

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

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

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

In accordance with GASB Statement No. 65, the City has previously determined that Local Business Taxes, Mausoleum Loans, Sewer Impact/Connection Loans that were all billed in FY 2015, Grants that met the eligibility requirements, and Differences between Expected and Actual Experience in Pensions, are revenues of the subsequent year FY 2016, are to be classified as Deferred Inflows of Resources. Differences between Projected and Actual Earnings in Pensions, are to be classified as Deferred Outflows of Resources.

Net Position:

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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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 \$17,132,341 of restricted net position, of which \$7,361,296 is restricted by enabling legislation.

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

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

Fund Balance:

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

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

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

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

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

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

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

Fund Balance/Net Position Policy:

I. Purpose

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

II. Definitions of Fund Balance/Net Position

Fund Balance of Governmental Funds:

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

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

City of Tarpon Springs, Florida

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

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

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

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

Net Position of Proprietary Funds:

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

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

III. Policy

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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

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

IV. Utilization of Surplus Reserves

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

V. Replenishment of Reserve Deficits

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

VI. Annual Review

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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, 2015, there were no new funds.

E. Recently Issued and Implemented Accounting Pronouncements

The following Government Accounting Standards were effective in fiscal year 2015.

Government Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27". The objective of this Statement is to improve accounting and financial reporting by state and local governmental employers about financial support for pensions that is provided by other entities. The requirements of GASB 68 are effective in fiscal year 2015. The City is required to implement this Standard for our Police Officers and Firefighters Pension Plans.

Government Accounting Standards Board (GASB) Statement No. 69, "Government Combinations and Disposals of Government Operations". The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of GASB 69 are effective in fiscal year 2015. Its implementation did not have any effect on the City's financial statements.

Government Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68". The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The requirements of GASB 71 are effective in fiscal year 2015. The City is required to implement this Standard for our Police Officers and Firefighters Pension Plans.

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 2015, 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 2015, periodic amendments were made to the approved budget.
5. Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.
6. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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, 2015 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.

Excess of Expenditures Over Appropriations

The City had no expenditures over appropriations.

B. Deficit Fund Balance/Net Position

The City's Golf Course Enterprise Fund contains a total net position deficit of \$159,881. This is caused by extensive capital projects being undertaken at the golf course. A reduction of the interfund transfer to the General Fund on a temporary basis, a decrease in the amount of Capital expenses, and rate adjustments will alleviate this deficit.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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 \$16,820,373, which consisted of Checking accounts \$6,790,739, BB&T Public Funds Savings \$2,027,236, Hancock Bank Public Funds Savings \$2,002,398 and Certificate of Deposit \$6,000,000.

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 deposits as defined by Florida statutes; d) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment grade quality; e) Florida Municipal Investment Trust Funds (FMIVT) and f) any other investments authorized by law and by resolution of the City Commission.

Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs. Given this strategy, the basis to determine whether market yields are being achieved shall be the average investment return as stated by the Florida Prime, formerly the SBA, for each fiscal year ending September 30. The average investment return as stated by the Florida Prime for

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

fiscal year ending September 30, 2015 is .20%. During Fiscal Year 2015, the average cash/investment pool balance was \$47,676,041 (not including bond/debt service funds) and the total annual earnings net of all bank charges was \$412,916 (not including bond/debt service earnings) giving an average rate of return of .87% on the average balance.

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, 2015, the City of Tarpon Springs had \$128 and \$17 invested in two accounts with Florida Prime.

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 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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
Cash and Cash Equivalents:				
Cash on Hand		\$ 57,356		
Deposits with Bank -				
Bank of America - Checking Accounts				
Operating Funds		5,286,375		
Bond Proceeds		1,504,364		
		<u>6,790,739</u>		
Public Funds Savings Accounts:				
BB&T		2,027,236		
Hancock		2,002,398		
		<u>4,029,634</u>		
State Board of Administration (Florida Prime)				
Plan A	29 days	145	AAAm	S & P
Total State Board of Administration (Florida Prime)		145		
Florida Municipal Investment Trust -				
High Quality Government Fund	0.70	2,130,349	AAA/V1	Fitch
1-3 Year High Quality Bond Fund	1.37	2,684,112	AAA/V2	Fitch
Intermediate High Quality Bond Fund	3.60	5,413,122	AAA/V3	Fitch
Total Florida Municipal Investment Trust		<u>10,227,583</u>		
Total Cash and Cash Equivalents		<u>21,105,457</u>		
Investments:				
Certificate of Deposit - Hancock Bank	12/16/2015	6,000,000	n/a	
Federal Farm Credit Bank Note	11/14/2016	2,000,108	AA+	S & P
Federal Home Loan Bank Note	12/30/2016	1,001,469	AA+	S & P
Federal Home Loan Bank Note	7/7/2017	1,005,309	AA+	S & P
Federal Home Loan Mortgage Corporation	7/28/2017	2,000,968	AA+	S & P
Federal Home Loan Bank Note	10/16/2017	1,000,443	AA+	S & P
Federal Farm Credit Bank Note	12/18/2017	2,003,060	AA+	S & P
Federal Home Loan Bank Note	12/29/2017	2,012,434	AA+	S & P
Federal Home Loan Bank Note	2/26/2018	1,502,343	AA+	S & P
Federal Home Loan Mortgage Corporation	8/24/2018	2,007,724	AA+	S & P
Federal Home Loan Mortgage Corporation	8/27/2018	1,001,803	AA+	S & P
Federal Home Loan Mortgage Corporation	9/28/2018	2,001,264	AA+	S & P
Federal Home Loan Bank Note	10/22/2018	997,890	AA+	S & P
Federal Home Loan Bank Note	10/29/2018	2,003,290	AA+	S & P
Total Investments		<u>26,538,105</u>		
Total Pooled Cash and Investments		<u>\$ 47,643,562</u>		

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Cash and investments as of September 30, 2015 are classified in the accompanying financial statements as follows:

<u>Statement of Net Position</u>	<u>9/30/2015</u>
Primary Government:	
Cash and cash equivalents	\$ 12,915,029
Investments	26,538,105
Restricted assets:	
Cash and cash equivalents	8,190,428
Investments	-
	<hr/>
Total Pooled Cash and Investments per CAFR	<u>\$ 47,643,562</u>

Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2015, 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, 2015, 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, 2015**

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	\$ 1,240,337	n/a
Investments:		
U. S. Agencies	1,164,108	AAA
Municipal Bonds	57,604	Aa1/Aa2/Aa3
Domestic Corporate Bonds	114,309	Aa1/Aa2/Aa3
Domestic Corporate Bonds	2,584,554	A1/A2/A3
Domestic Corporate Bonds	1,653,204	Baa1/Baa2/Baa3
Real Estate	2,206,421	n/a
Equities Common Stock	12,766,029	n/a
Total Investments	<u>20,546,229</u>	
Total Managed Cash and Investments	<u>\$ 21,786,566</u>	

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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 40th percentile and the effective duration of its fixed income investment portfolio will not exceed 125% of the duration of the (LBAB) duration.

Police Officers' Retirement System

Deposits:

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

Investments:

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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	\$ 850,762	n/a
Investments:		
U. S. Treasuries	5,221,232	AAA
U. S. Agencies	312,310	AAA
Domestic Corporate Bonds	283,043	Aa1/Aa2/Aa3
Domestic Corporate Bonds	333,589	A1/A2/A3
Domestic Corporate Bonds	352,809	Baa1/Baa2/Baa3
Mortgage/Asset Backed Securities	2,155,338	Not Rated
Equities Common Stock	14,248,227	n/a
Total Investments	<u>22,906,548</u>	
Total Managed Cash and Investments	<u>\$ 23,757,310</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 40th percentile and the effective duration of its fixed income investment portfolio will not exceed 125% of the duration of the Lehman Brothers Government/Corporate Bond Index duration.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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	\$ 8,359,863	n/a

Interest Rate Risk:

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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:

	<u>Governmental Activities</u>			
	<u>Internal</u>		<u>Total</u>	
	<u>General</u>	<u>Service</u>		
Interest	\$ 45,854	\$ 4,106	\$ 49,960	
Accounts - billed	340,222	-	340,222	
Taxes	475,965	-	475,965	
Total receivables	<u>\$ 862,041</u>	<u>\$ 4,106</u>	<u>\$ 866,147</u>	
Allow. for uncollectibles	-	-	-	
Net total receivables	<u>\$ 862,041</u>	<u>\$ 4,106</u>	<u>\$ 866,147</u>	
	<u>Business-type Activities</u>			
	<u>Sanitation</u>	<u>Water/ Sewer</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Interest	\$ 3,669	\$ 10,378	\$ 2,767	\$ 16,814
Accounts - billed	374,780	1,111,399	105,068	1,591,247
Accounts - unbilled	123,902	416,605	39,674	580,181
	<u>502,351</u>	<u>1,538,382</u>	<u>147,509</u>	<u>2,188,242</u>
Allow. for uncollectibles	(34,930)	(97,036)	(8,304)	(140,270)
Net total receivables	<u>\$ 467,421</u>	<u>\$ 1,441,346</u>	<u>\$ 139,205</u>	<u>\$ 2,047,972</u>
Restricted:				
Accrued interest	-	8,743	-	8,743
Accounts - billed	-	21,792	-	21,792
Total restricted receivables	<u>\$ -</u>	<u>\$ 30,535</u>	<u>\$ -</u>	<u>\$ 30,535</u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

C. Capital Assets

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 5,179,829	\$ 55,973	\$ -	\$ 5,235,802
Construction in progress	4,680,986	3,047,244	(1,486,110)	6,242,120
Total capital assets, not being depreciated	<u>9,860,815</u>	<u>3,103,217</u>	<u>(1,486,110)</u>	<u>11,477,922</u>
Capital assets, being depreciated:				
Buildings	18,574,335	168,510	-	18,742,845
Improvements other than buildings	9,647,407	1,056,546	-	10,703,953
Machinery and equipment	9,637,295	1,935,230	(736,619)	10,835,906
Infrastructure	42,978,327	1,484,271	-	44,462,598
Total capital assets, being depreciated	<u>80,837,364</u>	<u>4,644,557</u>	<u>(736,619)</u>	<u>84,745,302</u>
less accumulated depreciation for:				
Buildings	(11,397,201)	(508,815)	-	(11,906,016)
Improvements other than buildings	(4,321,990)	(507,207)	-	(4,829,197)
Machinery and equipment	(7,096,478)	(808,581)	720,515	(7,184,544)
Infrastructure	(22,792,206)	(1,312,165)	-	(24,104,371)
Total accumulated depreciation	<u>(45,607,875)</u>	<u>(3,136,768)</u>	<u>720,515</u>	<u>(48,024,128)</u>
Total capital assets, being depreciated, net	35,229,489	1,507,789	(16,104)	36,721,174
Governmental activities capital assets, net	<u>\$ 45,090,304</u>	<u>\$ 4,611,006</u>	<u>\$ (1,502,214)</u>	<u>\$ 48,199,096</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 2,822,414	\$ 465,283	\$ -	\$ 3,287,697
Construction in progress	32,154,999	24,131,938	(50,279,298)	6,007,639
Total capital assets, not being depreciated	<u>34,977,413</u>	<u>24,597,221</u>	<u>(50,279,298)</u>	<u>9,295,336</u>
Capital assets, being depreciated:				
Buildings	1,456,708	386,927	-	1,843,635
Improvements other than buildings	57,657,216	50,507,800	(3,760)	108,161,256
Machinery and equipment	5,434,921	1,088,273	(413,597)	6,109,597
Total capital assets, being depreciated	<u>64,548,845</u>	<u>51,983,000</u>	<u>(417,357)</u>	<u>116,114,488</u>
less accumulated depreciation for:				
Buildings	(291,256)	(51,619)	-	(342,875)
Improvements other than buildings	(28,745,974)	(1,894,219)	3,760	(30,636,433)
Machinery and equipment	(3,776,441)	(501,337)	387,149	(3,890,629)
Total accumulated depreciation	<u>(32,813,671)</u>	<u>(2,447,175)</u>	<u>390,909</u>	<u>(34,869,937)</u>
Total capital assets, being depreciated, net	31,735,174	49,535,825	(26,448)	81,244,551
Business-type activities capital assets, net	<u>\$ 66,712,587</u>	<u>\$ 74,133,046</u>	<u>\$ (50,305,746)</u>	<u>\$ 90,539,887</u>

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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

Governmental activities:	
General government	\$ 170,395
Public safety	890,798
Physical environment	132,572
Transportation	1,208,530
Economic environment	207,351
Culture/recreation	490,888
Internal service funds	<u>36,234</u>
Total depreciation expense - governmental activities	\$ <u><u>3,136,768</u></u>
Business-type activities:	
Sanitation	\$ 51,326
Water and Sewer	2,003,028
Stormwater	317,077
Marina	16,748
Golf Course	<u>58,996</u>
Total depreciation expense - business-type activities	\$ <u><u>2,447,175</u></u>

The City follows Government Accounting Standards Board (GASB) Statement No. 51 "Accounting and Financial Reporting for Intangible Assets". The City implemented GASB 51 and has included software purchases within the category "Improvements other than buildings" and easements are included within "Land and land rights".

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2015, 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, 2015, 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, 2015**

The amounts of the reclassified balances at September 30, 2015 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 753,859	\$ -
Enterprise Fund:		
Golf Course	-	753,859
Total	<u>\$ 753,859</u>	<u>\$ 753,859</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 520,129
Capital Project Fund:		
Optional Sales Tax	693,415	-
Special Revenue Fund:		
CRA	-	693,415
Enterprise Fund:		
Sanitation	323,828	-
Golf Course	-	323,828
Internal Service Fund:		
Risk Management	520,129	-
Total	<u>\$ 1,537,372</u>	<u>\$ 1,537,372</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 \$177,300 in Fiscal Year 2015. 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, 2015, the unpaid advance was \$693,415, which is included in the total advances of \$1,537,372 in the City's financial statements.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

<u>Due Date</u>	<u>Amount Due</u>
September 30, 2016	183,210
September 30, 2017	189,120
September 30, 2018	195,030
September 30, 2019	126,055
	<u>\$ 693,415</u>

In Fiscal Year 2010, the sanitation fund advanced funds to the golf course fund in the amount of \$430,415 for the purpose of providing the balance of monies required for past capital expenditures and declining revenues. The sanitation fund advanced additional funds in Fiscal Year 2014 in the amount of \$180,000 for the reconstruction of the greens. This advance was decreased with a reimbursement of \$38,965 in Fiscal Year 2015. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2015, the unpaid advance was \$323,828, which is included in the total advances of \$1,537,372 in the City's financial statements.

In Fiscal Year 2014, the risk management fund advanced funds to the general fund in the amount of \$601,078 for the purpose of providing the balance of monies required for the energy performance contract expenditures. This advance was decreased with a reimbursement of \$80,949 in Fiscal Year 2015. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2015, the unpaid advance was \$520,129, which is included in the total advances of \$1,537,372 in the City's financial statements.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Interfund transfers:

	Transfer In:		Total
	General Fund	Non-major Governmental Funds	
<u>Transfer Out:</u>			
Non-major Governmental Funds	\$ 200,000	\$ 162,000	\$ 362,000
 Enterprise Funds:			
Sanitation	206,400	-	206,400
Water & Sewer	590,706	-	590,706
Non-major Enterprise Funds	243,404	-	243,404
	\$ 1,240,510	\$ 162,000	\$ 1,402,510

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

E. Leases

Operating Leases:

The City is lessor on various leases. Aggregate rental income totaled \$462,530 in fiscal year 2015. Included in this amount are rents of \$329,198 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 \$462,530 is \$73,500 received under the terms of a 50-year lease dated March 17, 2004 with Savannah Cove Limited Partnership for leasing of the land in which Savannah Cove Limited Partnership has an elder housing apartment complex. The annual rent with the lease is \$73,500 annually. As part of the closing of the lease on March 17, 2004, the City loaned Savannah Cove Limited Partnership \$200,000 in which interest shall be payable on this Promissory Note at a fixed per annum rate equal to zero percent (0%). The entire remaining unpaid Principal shall be due and payable on the 17th day of March, 2054 (the "Maturity Date"). In the event this Note is not repaid on the Maturity Date, interest shall

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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, 2015 in the amount of \$200,000.

Also included in the aggregate rental income of \$462,530 is \$38,734 received under the terms of a 5-year lease dated August 1, 2005 (Commencement date) with GTP Towers I, LLC ("Global Tower") who was assigned the lease on May 27, 2008 from Ridan Industries, LLC to construct, maintain, and operate a communication tower on property at the City's Fire Station #2. The lease was renewed with GTP Towers I, LLC ("Global Tower") on August 1, 2010 for an additional five years. On October 1, 2013 American Tower acquired the ownership of GTP Towers I, LLC with no change in the lease agreement. The annual rent initially with the lease was \$30,000 (\$2,500 per month) and commencing with the second (2nd) year of the agreement the basic monthly rent shall be adjusted annually upon each anniversary of the commencement date of this agreement, by any change in the index now known as "United States Bureau of Labor Statistics, Consumer Price Index for Urban Consumers".

F. Long-Term Debt

Utility System Revenue Bonds:

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

The 2013A-1 serial bonds are due in annual installments of \$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, 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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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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
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	275,000	204,763	640,000	924,250	915,000	1,129,013
2020-2024	1,495,000	890,844	3,500,000	4,332,256	4,995,000	5,223,100
2025-2029	1,725,000	666,344	4,055,000	3,771,506	5,780,000	4,437,850
2030-2034	2,015,000	369,638	4,855,000	2,979,975	6,870,000	3,349,613
2035-2039	905,000	47,775	7,290,000	1,974,250	8,195,000	2,022,025
2040-2042	-	-	5,700,000	432,750	5,700,000	432,750
Totals	\$ 7,185,000	\$ 2,840,300	\$ 27,820,000	\$ 17,331,938	\$ 35,005,000	\$ 20,172,238

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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revenues and are payable through October 1, 2042. The principal of the Bonds at September 30, 2015 are \$35,005,000, Series 2013A-1 \$7,185,000 and Series 2013A-2 \$27,820,000. Interest paid for the current year and net revenues were Series 2013A-1 \$237,463 and Series 2013A-2 \$1,017,450 and \$4,455,350 respectively. There was no Interest expense capitalized in Fiscal Year 2015.

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 is fully repaid as of September 30, 2015. Fiscal Year 2015 had no draws and there were prepayments of \$11,197,727. Interest paid for the current year and net revenues were \$51,443 and \$4,455,350 respectively.

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.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
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Long-term liability activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated absences	1,212,044	610,166	(646,289)	1,175,921	66,250
Other postemployment benefits	196,978	76,564	(48,757)	224,785	-
Net pension liability	2,493,428	10,261,537	(8,519,751)	4,235,214	-
Claims payable	99,205	146,724	(40,076)	205,853	11,196
Governmental activities Long-term liabilities	<u>\$ 4,001,655</u>	<u>\$ 11,094,991</u>	<u>\$ (9,254,873)</u>	<u>\$ 5,841,773</u>	<u>\$ 77,446</u>
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	\$ 35,795,000	\$ -	\$ (790,000)	\$ 35,005,000	\$ 820,000
Less deferred amounts:					
For issuance premiums (discounts)	443,777	-	(16,471)	427,306	-
Net utility system revenue bonds	<u>36,238,777</u>	<u>-</u>	<u>(806,471)</u>	<u>35,432,306</u>	<u>820,000</u>
Utility grant anticipation note	<u>11,197,727</u>	<u>-</u>	<u>(11,197,727)</u>	<u>-</u>	<u>-</u>
Total bonds and notes payable	47,436,504	-	(12,004,198)	35,432,306	820,000
Other Liabilities:					
Compensated absences	202,858	211,919	(196,472)	218,305	17,252
Other postemployment benefits	96,622	19,237	(3,443)	112,416	-
Business-type activities Long-term liabilities	<u>\$ 47,735,984</u>	<u>\$ 231,156</u>	<u>\$ (12,204,113)</u>	<u>\$ 35,763,027</u>	<u>\$ 837,252</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 \$4,852 of internal service funds compensated absences are included in the above amounts. Compensated absences for governmental activities, are generally liquidated by the general fund with \$1,158,865 making up most of this balance and the remainder of \$12,204 being liquidated by other governmental funds. Also, for governmental activities, other post-employment benefits are liquidated by the general fund.

There is no long term debt from Governmental Activities in the Statement of Activities.

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2015

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 \$346,876 for Fiscal Year 2015. Claims for each occurrence above \$25,000 and above \$346,876 for all occurrences for the fiscal year, along with the related legal fees, are covered by the Florida League of Cities. Settled claims have not exceeded excess coverage in any of the past three years. The unrestricted net position balance of \$1,377,648 is a reserve for unexpected catastrophic events.

The transactions relating to the self-insurance program are accounted for in the Risk Management Fund, an Internal Service Fund. The billings by the Risk Management Fund to the various operating funds (the interfund premiums) are based on the total of the premium charged by the Florida League of Cities for the fiscal year.

Expenditures/expenses reported in excess of actual losses is the result of a reasonable provision for anticipated future losses. The claims liability reported at September 30, 2015 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, 2015.

Changes in the claims liability amounts in Fiscal Years 2015 and 2014 were:

	<u>Self Insurance</u>
Balance at September 30, 2013	\$ 171,067
Current year claims and changes in estimates	80,745
Claim payments	<u>(152,607)</u>
Balance at September 30, 2014	99,205
Current year claims and changes in estimates	146,724
Claim payments	<u>(40,076)</u>
Balance at September 30, 2015	<u>\$ 205,853</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 Insurance Trust. Life and Long-Term Disability insurance is purchased through Mutual of Omaha.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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, 2015, 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 \$11,087 in Fiscal Year 2015 for post-closure monitoring and maintenance at the facility.

E. Commitments and Contingencies

The following table lists the outstanding encumbrances at September 30, 2015. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

	Governmental Activities				Total
	General Fund	Optional Sales Tax	Non-Major Governmental Funds	Internal Service Funds	
Encumbrances Outstanding	\$ 231,257	\$ 337,544	\$ 210,638	\$ 7,325	\$ 786,764

	Business-Type Activities			Total
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	
Encumbrances Outstanding	\$ 14,805	\$ 4,419,953	\$ 253,556	\$ 4,688,314

Optional Sales Tax – of the amount noted above, \$139,112 is for the City Hall exterior engineering; \$65,620 is for new Fire Station 71 engineering; \$47,508 is for L&R Industrial Boulevard.

Non-Major Governmental Funds - of the amount noted above, \$65,620 is for new Fire Station 71 engineering; \$45,188 is for Spruce Street engineering.

Water and Sewer – of the amount noted above, \$3,996,038 is for the new reclaimed tank; \$169,066 is for the new Alternative Water Plant and Injection Well.

Non-Major Enterprise Funds – of the amount noted above, \$105,592 is for various storm water capital projects; \$110,385 is for a boom mower tractor.

During Fiscal Year 2015 and prior fiscal years, the City received revenues and contributions related to grants from Southwest Florida Water Management District, the State of Florida, the federal government and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

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

F. Other Post Employment Benefits

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, 2015 is \$1,021,200.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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, 2015, the City estimated that it subsidized \$52,200 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.

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:

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Annual required contribution	\$ 92,600
Interest on net OPEB obligation	14,700
Adjustment to annual required contribution	<u>(11,500)</u>
Annual OPEB cost (expense)	95,800
Contributions made	<u>(52,200)</u>
Increase in net OPEB obligation	43,600
Net OPEB obligation - beginning of year	<u>293,600</u>
Net OPEB obligation - end of year	<u><u>\$ 337,200</u></u>

The actuarially determined contribution requirements for the City's fiscal year ended September 30, 2015 are based on an actuarial valuation as of October 1, 2014.

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, 2015, of the \$337,200 net OPEB obligation, the general fund will liquidate \$215,934 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, 2015, are presented below. Data is presented for three fiscal years as required by GASB Statement No. 45.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2013	\$ 99,200	43.95%	\$ 231,600
9/30/2014	\$ 105,300	41.12%	\$ 293,600
9/30/2015	\$ 95,800	45.20%	\$ 337,200

Funded Status and Funding Progress:

As of September 30, 2015, the actuarial accrued liability for benefits was \$1,021,200 and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability of \$1,021,200. The covered payroll (annual payroll for active participating employees) was projected to be \$13,131,232 for Fiscal Year 2015, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 7.78%. The schedule of funding progress, as part of the required supplementary information immediately following the notes, provides information on the funded ratio over time.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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 2015 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 which includes the general wage inflation rate assumption of 4%, 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 2015 annual required contribution.

G. Employee Pension Plans

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

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

Defined Benefit Pension Plans for Firefighters and Police Officers

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

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

The Florida Constitution requires local governments to make the actuarially determined contributions. The Florida Division of Retirement reviews and approves each local 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.

Police Officers Pension Plan

Plan Description:

Plan administration:

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

The Board of Trustees is comprised of:

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

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

Plan membership as of October 1, 2014:

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Police

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	46
	<hr/>
	78
	<hr/>

Benefits provided:

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

Normal Retirement:

Eligibility: Earlier of 1) Age 50 and the completion of 10 years of credited service, or 2) the completion of 25 years of credited service, regardless of age.

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

Minimum benefit amount: \$450

Early Retirement:

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

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

Vesting (Termination):

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

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

Disability:

Service Incurred: Covered from date of employment.

Non-service Incurred: 10 years of credited service.

Service Incurred Benefit: 50% of average monthly earnings.

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

Death Benefits:

Service Incurred: Spouse receives 50% of average monthly earnings.

Non-service Incurred:

Vested: Spouse receives 25% of average monthly earnings.

Non-vested: Refund of member contributions.

Benefit Adjustment:

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Contributions:

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

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

Contribution Rates:

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

Net Pension Liability:

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2014 through September 30, 2015.

The sponsor's Net Pension Liability was measured as of September 30, 2015.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	7.00%
Discount Rate	7.90%
Investment Rate of Return	7.90%

Mortality Rates: were based on the RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years. We believe this sufficiently accounts for future mortality improvements.

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

The significant assumptions are based upon the most recent actuarial experience study dated October 27, 2009, for the period 1996-2008.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50%	7.95%
International Equity	10%	8.00%
Domestic Bonds	35%	2.70%
Cash	5%	0.00%
	<u>100%</u>	

Discount Rate:

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

	Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2014	\$ 23,125,380	\$ 23,686,142	\$ (560,762)
Changes for a year:			
Service cost	792,099	-	792,099
Interest	1,845,378	-	1,845,378
Differences between Expected and Actual Experience	(319,167)	-	(319,167)
Changes of assumptions	-	-	-
Changes of benefit terms	(119,708)	-	(119,708)
Contributions - Employer	-	639,284	(639,284)
Contributions - State	-	207,813	(207,813)
Contributions - Employee	-	262,499	(262,499)
Contributions - Buy Back	-	-	-
Net Investment Income	-	(68,190)	68,190
Benefit Payments, including Refunds of Employee Contributio	(877,118)	(877,118)	-
Administrative Expense	-	(36,428)	36,428
Net Changes	<u>1,321,484</u>	<u>127,860</u>	<u>1,193,624</u>
Reporting Period Ending September 30, 2015	<u>\$ 24,446,864</u>	<u>\$ 23,814,002</u>	<u>\$ 632,862</u>

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

	1% Decrease 6.90%	Current Discount Rate 7.90%	1% Increase 8.90%
Sponsor's Net Pension Liability	\$ 3,526,467	\$ 632,862	\$ (1,772,354)

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

For the year ended September 30, 2015, the Sponsor will recognize a Pension Expense of \$722,385.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

On September 30, 2015, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 239,376
Net difference between Projected and Actual Earnings on Pension Plan investments	1,557,712	-
Total	<u>\$ 1,557,712</u>	<u>\$ 239,376</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2016	\$ 309,636
2017	\$ 309,636
2018	\$ 309,636
2019	\$ 389,428
2020	\$ -
Thereafter	\$ -

Firefighters Pension Plan

Plan Description:

Plan administration:

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

The Board of Trustees is comprised of:

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

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

Plan membership as of October 1, 2014:

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Inactive plan members or beneficiaries currently receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	30
	<u>64</u>

Benefits provided:

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

Normal Retirement:

Eligibility:

Earlier of 1) Age 50 and the completion of 10 years of credited service, or 2) the completion of 25 years of credited service, regardless of age.

Benefit amount: 3% of average final compensation times credited service prior to 10/1/1999, plus 3.25% of average final compensation times credited service after 10/1/1999.

Cost of Living Increase: All retirees, excluding disability retirees and vested terminated persons, who retire on or after October 1, 1999, and their joint pensioners and beneficiaries, receive, beginning on the first October 1 following 5 years of retirement, a 2% per year cost of living increase.

Vesting (Termination):

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

10 years or more: Accrued benefit payable at normal retirement date or refund of member contributions.

Disability:

Eligibility:

a) 10 years of contributing service for non-service related; coverage from date of hire for service incurred.

b) Total and permanent disability prior to normal retirement date.

Benefit amount: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).

Pre-Retirement Death Benefits:

Service Incurred: Benefit accrued to date of death but not less than 42% of average final compensation. Benefit payable for 10 years.

Non-service Incurred:

Vested: Benefit accrued to date of death but not less than 25% of average final compensation. Benefit payable for 10 years.

Non-vested: Refund of member contributions.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

Contributions:

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

The state contributions are required by state statute. The Firefighters is a 1.85% excise tax on the gross receipts from premiums collected on property insurance policies covering property within the City's corporate limits.

Contribution Rates:

Employee:	9.45%
Premium Tax:	1.85% tax on premiums for fire insurance policies.
City:	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years, but not less than 7% of member salaries

Net Pension Liability:

The measurement date is September 30, 2015.

The measurement period for the pension expense was October 1, 2014 to September 30, 2015.

The reporting period is October 1, 2014 through September 30, 2015.

The sponsor's Net Pension Liability was measured as of September 30, 2015.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2014 updated to September 30, 2015 using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	7.00%
Discount Rate	7.90%
Investment Rate of Return	7.90%

Mortality rates were based on the RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years.

The significant assumptions are based upon the most recent actuarial experience study dated

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

March 12, 2009, for the period 1985-2008.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	53%	7.95%
International Equity	12%	8.00%
Domestic Bonds	25%	2.70%
Real Estate	10%	6.00%
	<u>100%</u>	

Discount Rate:

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

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

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

	Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2014	\$ 24,195,022	\$ 21,140,832	\$ 3,054,190
Changes for a year:			
Service cost	433,596	-	433,596
Interest	1,901,472	-	1,901,472
Change in excess State money	4,353	-	4,353
Differences between Expected and Actual Experience	(141,504)	-	(141,504)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	974,041	(974,041)
Contributions - State	-	242,782	(242,782)
Contributions - Employee	-	183,224	(183,224)
Net Investment Income	-	316,096	(316,096)
Benefit Payments, including Refunds of Employee Contributions	(989,960)	(989,960)	-
Administrative Expense	-	(66,388)	66,388
Net Changes	<u>1,207,957</u>	<u>659,795</u>	<u>548,162</u>
Reporting Period Ending September 30, 2015	<u>\$ 25,402,979</u>	<u>\$ 21,800,627</u>	<u>\$ 3,602,352</u>

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

	1% Decrease 6.90%	Current Discount Rate 7.90%	1% Increase 8.90%
Sponsor's Net Pension Liability	\$ 6,407,134	\$ 3,602,352	\$ 1,257,278

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

For the year ended September 30, 2015, the Sponsor will recognize a Pension Expense of \$777,029.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

On September 30, 2015, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 106,128
Net difference between Projected and Actual Earnings on Pension Plan investments	<u>1,094,084</u>	<u>-</u>
Total	<u><u>\$ 1,094,084</u></u>	<u><u>\$ 106,128</u></u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		
2016	\$	238,145
2017	\$	238,145
2018	\$	238,145
2019	\$	273,521
2020	\$	-
Thereafter	\$	-

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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

STATEMENT OF NET POSITION - PENSION TRUST FUNDS

	Police Officers Pension	Firefighters Pension
Assets		
Cash and cash equivalents:		
Short Term Investments	\$ 850,761	\$ -
Prepaid Benefits	-	82,659
Money Market	-	1,236,500
Cash	-	3,013
Total Cash and cash equivalents:	<u>850,761</u>	<u>1,322,172</u>
Receivables:		
Tax Reclaims	-	3,863
Investment Income	57,925	48,363
Total Receivables:	<u>57,925</u>	<u>52,226</u>
Investments:		
U.S. Bonds and Bills	5,533,542	202,062
Federal Agency Guaranteed Securities	2,155,338	962,046
Corporate Bonds	969,441	4,352,067
Stocks	12,157,918	12,766,029
Municipal Obligations	-	57,604
Mutual Funds: Equity	2,090,309	-
Pooled/Common/Commingled Funds: Real Estate	-	2,206,421
Total Investments	<u>22,906,548</u>	<u>20,546,229</u>
Total Assets	<u>23,815,234</u>	<u>21,920,627</u>
Liabilities		
Payables:		
Prior Refunds	1,232	-
To Broker for Investments Purchased	-	120,000
Prepaid City Contributions	-	-
Total Liabilities	<u>1,232</u>	<u>120,000</u>
Net Position		
Net Position Restricted for Pensions	<u>\$ 23,814,002</u>	<u>\$ 21,800,627</u>

City of Tarpon Springs, Florida

Notes to the Financial Statements
September 30, 2015

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS

	<u>Police Officers Pension</u>	<u>Firefighters Pension</u>
Additions:		
Contributions:		
Plan members	\$ 262,499	\$ 183,224
Buy-Back	-	-
Employer	639,284	974,041
State of Florida	207,813	242,782
Total Contributions	<u>1,109,596</u>	<u>1,400,047</u>
Investment Income:		
Net increase in fair value of investments	(467,855)	(174,086)
Interest & Dividends	532,042	604,254
Less Investment Expense (a)	(132,377)	(114,072)
Net Investment Income	<u>(68,190)</u>	<u>316,096</u>
Total Additions	<u>1,041,406</u>	<u>1,716,143</u>
Deductions:		
Distributions to Members:		
Benefit Payments	836,504	976,783
Lump Sum DROP Distributions	-	-
Refunds of Member Contributions	40,614	13,177
Total Distributions	<u>877,118</u>	<u>989,960</u>
Administrative Expense	36,428	66,388
Total Deductions	913,546	1,056,348
Net Increase in Net Position	127,860	659,795
Net Position Restricted for Pensions - Beginning of Year	<u>23,686,142</u>	<u>21,140,832</u>
Net Position Restricted for Pensions - End of Year	<u>\$ 23,814,002</u>	<u>\$ 21,800,627</u>

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

City of Tarpon Springs, Florida

Notes to the Financial Statements September 30, 2015

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, 2015, there were 190 active Plan members, 107 vested and 83 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 2015 were \$667,055.

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

A new Administrative Services Agreement with ICMA-RC was approved on December 16, 2013 (Inception Date) for an initial term beginning on the Inception Date and ending (3) years after the Inception Date. Following the initial term, this agreement may be renewed automatically for two additional one-year terms.

City of Tarpon Springs, Florida

**Notes to the Financial Statements
September 30, 2015**

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, 2015, the General Employees Pension fund held investments (other than U.S. Government and U.S. Government guaranteed obligations) in the following organizations comprising 5% or more of the net position available for benefits.

<u>Asset Description</u>	<u>Number of Shares</u>	<u>Fair Value</u>
JPMorgan SmartRetirement 2020	32,337	\$ 570,748
JPMorgan SmartRetirement 2030	47,497	862,549
MFS Conservative Allocation R4	32,782	468,783
MFS Moderate Allocation R4	30,930	495,801
MFS Growth Allocation R4	50,165	883,904

H. Restatement of Prior Year Net Position

The City adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement 68* for the fiscal year ending September 30, 2015. GASB 68 requires the funds of the City to report their proportionate share of the plan's net pension liability, pension expense, and deferred inflows and outflows of resources as well as additional note disclosures and required supplementary information. GASB 71 requires the City to acknowledge the start of deferred outflow of resources for pension contributions made from the measurement date of the beginning net pension liability to the start of the first fiscal year's implementation.

The following schedule reflects the impact of GASB 68 and GASB 71 to the Government Wide Financial Statements.

<u>Restatement of Prior Year Government Wide Net Position</u>	
Net Position - Beginning of Period, as previously reported	\$ 75,577,113
Adoption of GASB Statement No. 68 and 71 Net pension liability	<u>\$ (2,817,965)</u>
Net Position - Beginning of Period, as as restated	<u><u>\$ 72,759,148</u></u>

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

Pension Schedules - Police Officers and Firefighters Pension Trust Funds

Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers Pension Trust Fund
Firefighters Pension Trust Fund
Schedule of Contributions and Notes to Schedule
Police Officers Pension Trust Fund
Firefighters Pension Trust Fund

Other Post-Employment Benefits

Schedule of Employer Contributions
Schedule of Funding Progress

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

	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:			
Service Cost	\$ 792,099	\$ 755,726	\$ 700,395
Interest	1,845,378	1,732,714	1,632,474
Changes of Benefit Terms	(119,708)		
Differences between Expected and Actual Experience	(319,167)		
Benefit Payments, including Refunds of Employee Contributions	(877,118)	(1,080,852)	(1,157,813)
Net Change in Total Pension Liability	1,321,484	1,407,588	1,175,056
Total Pension Liability - Beginning	23,125,380	21,717,792	20,542,736
Total Pension Liability - Ending (a)	<u>\$ 24,446,864</u>	<u>\$ 23,125,380</u>	<u>\$ 21,717,792</u>
Plan Fiduciary Net Position:			
Contributions - Employer	639,284	590,013	579,733
Contributions - State	207,813	200,056	198,510
Contributions - Employee	262,499	259,014	247,826
Net Investment Income	(68,190)	2,532,116	2,069,509
Benefit Payments, Including Refunds of Employee Contributions	(877,118)	(1,080,852)	(1,157,813)
Administrative Expense	(36,428)	(27,331)	(32,572)
Net Change in Plan Fiduciary Net Position	127,860	2,473,016	1,905,193
Plan Fiduciary Net Position - Beginning	23,686,142	21,213,126	19,307,933
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,814,002</u>	<u>\$ 23,686,142</u>	<u>\$ 21,213,126</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 632,862</u>	<u>\$ (560,762)</u>	<u>\$ 504,666</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.41%	102.42%	97.68%
Covered Employee Payroll	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Net Pension Liability as a Percentage of Covered Employee Payroll	17.83%	-18.21%	17.18%

Notes to Schedule:

Changes of benefit terms:

For the 2015 Fiscal year, amounts reported as benefit changes were resulted from Ordinance 2015-05 was adopted which implemented the following Plan changes:

- * Salary for service earned on or after June 20, 2012 was limited to not include more than 300 hours of overtime calendar year.
- * The Plans definition of Salary was changed to include the lesser of the amount of sick or annual leave time accrued on June 20, 2012 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement.

* Information only available for three years.

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

	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability:			
Service Cost	\$ 433,596	\$ 415,729	\$ 385,291
Interest	1,901,472	1,806,846	1,729,806
Change in excess State money	4,353	-	-
Differences between Expected and Actual Experience	(141,504)		
Changes of Assumptions	-	(41,516)	-
Employee Contributions	(989,960)	(1,012,279)	(1,328,432)
Net Change in Total Pension Liability	1,207,957	1,168,780	786,665
Total Pension Liability - Beginning	24,195,022	23,026,242	22,239,577
Total Pension Liability - Ending (a)	<u>\$ 25,402,979</u>	<u>\$ 24,195,022</u>	<u>\$ 23,026,242</u>
Plan Fiduciary Net Position:			
Contributions - Employer	974,041	782,526	710,690
Contributions - State	242,782	237,443	235,043
Contributions - Employee	183,224	162,859	164,853
Net Investment Income	316,096	1,993,557	2,221,341
Benefit Payments, Including Refunds of			
Employee Contributions	(989,960)	(1,012,279)	(1,328,432)
Administrative Expense	(66,388)	(46,371)	(42,561)
Net Change in Plan Fiduciary Net Position	659,795	2,117,735	1,960,934
Plan Fiduciary Net Position - Beginning	21,140,832	19,023,097	17,062,163
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,800,627</u>	<u>\$ 21,140,832</u>	<u>\$ 19,023,097</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,602,352</u>	<u>\$ 3,054,190</u>	<u>\$ 4,003,145</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.82%	87.38%	82.61%
Covered Employee Payroll	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Net Pension Liability as a Percentage of Covered Employee Payroll	142.07%	148.02%	191.67%

Notes to Schedule:

Changes of assumptions:

For the 2015 Reporting Period Ending year, amounts reported as assumptions were resulted from Ordinance 2015-04, adopted and effective January 27, 2015, provided for limitations on pensionable items of pay related to overtime and cash in of unused sick and annual leave time.

* Information only available for three years.

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

	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 722,857	\$ 790,069	\$ 778,243
Contributions in Relation to the Actuarially Determined Contributions	847,097	790,069	778,243
Contribution Deficiency (Excess)	<u>\$ (124,240)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 3,550,062	\$ 3,080,189	\$ 2,937,877
Contributions as a Percentage of Covered Employee Payroll	23.86%	25.65%	26.49%

Notes to Schedule:

Valuation Date: 10/1/2014

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

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	24 Years (as of 10/01/2013)
Asset Smoothing Methodology:	The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.
Inflation:	3.0% per year.
Salary Increases:	7% per year up to the assumed retirement age. Projected salary in the year of retirement is increased 20% to account for non-regular compensation.
Interest Rate:	7.9% per year, compounded annually net of investment related expenses.
Payroll Growth:	3.3% per year.
Marriage Rates:	100% of Plan Members are assumed to be married, with husbands 3 years older than their wives.
Retirement Age:	Earlier of age 50 with 10 years of calculation service or 25 years of calculation service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Early Retirement Age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.
Termination Rate:	See table below.
Disability Rate:	See table below. 75% of Disability Retirements, and 75% of Active Employment Deaths are assumed to be service-related.
Mortality:	RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.4%	0.14%
30	10.5%	0.18%
40	5.7%	0.30%
50	1.5%	1.00%

* Information only available for three years.

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

	9/30/2015	9/30/2014	9/30/2013
Actuarially Determined Contribution	\$ 992,531	\$ 1,019,969	\$ 945,733
Contributions in Relation to the Actuarially Determined Contribution	1,212,470	1,019,969	945,733
Contribution Deficiency (Excess)	\$ (219,939)	\$ -	\$ -
Covered Employee Payroll	\$ 2,535,620	\$ 2,063,310	\$ 2,088,575
Contributions as a Percentage of Covered Employee Payroll	47.82%	49.43%	45.28%

Notes to Schedule:

Valuation Date: 10/1/2014

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

Methods and assumptions used to determine contribution rates:

Cost Method: Entry Age Normal Actuarial Cost Method
Amortization Method: Level Percentage of Pay, Closed.
Remaining Amortization Period: 30 Years (as of 10/01/2013)
Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net of fees). Over time, this may result in a deminis bias that is above or below the Market Value of Assets.
Inflation: 3.0% per year.
Salary Increases: 7% per year up to the assumed retirement age for Members with less than 10 years of service, 5.5% for those with 10 or more years of service. Projected Salary at retirement is increased 20% to account for non-regular compensation
Interest Rate: 7.9% per year, compounded annually net of investment related expenses.
Payroll Increase: 0% per year.
Cost of Living Increase: 2% per year beginning on the October 1 following 5 years of payments.

Normal Retirement Rates:	Number of Years after First	Probability of Retirement
	<u>Eligibility for Normal Retirement</u>	<u>Probability of Retirement</u>
	0	50%
	1 or more	100%

Termination Rate: See table below.

Disability Rate: See table below. 75% of Disability and Pre-Retirement Death Retirements are assumed to be service-incurred.

Mortality: RP 2000 Combined Healthy Mortality Table, Sex Distinct. Disabled lives are set forward 5 years. Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements.

Termination and Disability Rate Table.

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

* Information only available for three years.

**CITY OF TARPON SPRINGS, FLORIDA
OTHER POST-EMPLOYMENT BENEFITS
SEPTEMBER 30, 2015**

Schedule of Employer Contributions:

<u>Year Ended</u>	<u>Annual Required Contributions</u>	<u>Estimated Contributions</u>	<u>Percentage Contributed</u>
September 30, 2013	\$ 97,300	\$ 43,600	44.8%
September 30, 2014	102,800	43,300	42.1%
September 30, 2015	92,600	52,200	56.4%

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, 2012	\$ -	\$ 1,036,000	\$ 1,036,000	0.00%	\$ 12,252,873	8.46%
October 1, 2013	-	1,101,400	1,101,400	0.00%	12,422,060	8.87%
October 1, 2014	-	1,021,200	1,021,200	0.00%	13,131,232	7.78%

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, 2015**

	Special Revenue Funds					
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	Total
ASSETS						
Cash and cash equivalents	\$ 239,123	\$ 742,255	\$ 45,609	\$ 247,232	\$ 594,136	\$ 1,868,355
Investments	-	1,150,000	-	-	300,000	1,450,000
Due from other governments	26,923	-	29,936	-	-	56,859
Prepaid items	-	-	-	-	60	60
Total Assets	\$ 266,046	\$ 1,892,255	\$ 75,545	\$ 247,232	\$ 894,196	\$ 3,375,274
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 220,519	\$ 424	\$ 6,229	\$ 29	\$ 227,201
Accrued liabilities	-	-	-	-	2,903	2,903
Total Liabilities	-	220,519	424	6,229	2,932	230,104
Fund Balances:						
Nonspendable:						
Prepaid items	-	-	-	-	60	60
Street and sidewalk per Charter, nonexpendable	-	-	-	-	-	-
Restricted for:						
Transportation	266,046	-	-	-	-	266,046
Capital projects - impact fee programs	-	1,671,736	-	-	-	1,671,736
Law enforcement programs	-	-	48	241,003	-	241,051
Library	-	-	-	-	65,097	65,097
Public art program	-	-	-	-	331,865	331,865
Land Preservation	-	-	-	-	60,225	60,225
Physical environment	-	-	75,073	-	-	75,073
Committed to:						
Employee benefit cost deferral	-	-	-	-	434,017	434,017
Total Fund Balances	266,046	1,671,736	75,121	241,003	891,264	3,145,170
Total Liabilities and Fund Balances	\$ 266,046	\$ 1,892,255	\$ 75,545	\$ 247,232	\$ 894,196	\$ 3,375,274

<u>Capital Projects Funds</u>			<u>Total Non-Major Governmental Funds</u>
<u>General Projects</u>	<u>Capital Investment</u>	<u>Total</u>	
\$ 111,129	\$ 30,527	\$ 141,656	\$ 2,010,011
100,000	2,003,031	2,103,031	3,553,031
-	-	-	56,859
-	-	-	60
<u>\$ 211,129</u>	<u>\$ 2,033,558</u>	<u>\$ 2,244,687</u>	<u>\$ 5,619,961</u>
\$ -	\$ -	\$ -	\$ 227,201
-	-	-	2,903
-	-	-	230,104
-	-	-	60
-	2,000,000	2,000,000	2,000,000
211,129	33,558	244,687	510,733
-	-	-	1,671,736
-	-	-	241,051
-	-	-	65,097
-	-	-	331,865
-	-	-	60,225
-	-	-	75,073
-	-	-	434,017
<u>211,129</u>	<u>2,033,558</u>	<u>2,244,687</u>	<u>5,389,857</u>
<u>\$ 211,129</u>	<u>\$ 2,033,558</u>	<u>\$ 2,244,687</u>	<u>\$ 5,619,961</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, 2015

	Special Revenue Funds					Total
	Local Option Gas Tax	Impact Fees	Grants	Law Enforcement Programs	Special Programs	
Revenues:						
Taxes	\$ 312,407	\$ -	\$ -	\$ -	\$ -	\$ 312,407
Permits and fees	-	333,253	-	-	-	333,253
Intergovernmental	-	-	93,305	28,929	170,473	292,707
Charges for services	-	5,333	-	-	-	5,333
Fines and forfeitures	-	-	-	21,530	-	21,530
Other	755	9,125	53,701	1,564	100,158	165,303
Total Revenues	<u>313,162</u>	<u>347,711</u>	<u>147,006</u>	<u>52,023</u>	<u>270,631</u>	<u>1,130,533</u>
Expenditures:						
Current:						
Public Safety:						
Police	-	-	10,248	66,664	-	76,912
Physical Environment:						
Other	-	-	11,745	-	-	11,745
Culture and Recreation:						
Other	-	-	37,457	-	183,064	220,521
Capital Outlay	-	471,898	53,939	54,539	39,981	620,357
Total Expenditures	<u>-</u>	<u>471,898</u>	<u>113,389</u>	<u>121,203</u>	<u>223,045</u>	<u>929,535</u>
Excess of Revenues Over (Under) Expenditures	<u>313,162</u>	<u>(124,187)</u>	<u>33,617</u>	<u>(69,180)</u>	<u>47,586</u>	<u>200,998</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Total Other Financing Sources (Uses)	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Net Change in Fund Balances	(36,838)	(124,187)	33,617	(69,180)	47,586	(149,002)
Fund Balances - Beginning of Year	<u>302,884</u>	<u>1,795,923</u>	<u>41,504</u>	<u>310,183</u>	<u>843,678</u>	<u>3,294,172</u>
Fund Balances - End of Year	<u>\$ 266,046</u>	<u>\$ 1,671,736</u>	<u>\$ 75,121</u>	<u>\$ 241,003</u>	<u>\$ 891,264</u>	<u>\$ 3,145,170</u>

Capital Projects Funds			Total Non-Major Governmental Funds
General Projects	Capital Investment	Total	
\$ -	\$ -	\$ -	\$ 312,407
-	-	-	333,253
-	-	-	292,707
-	-	-	5,333
-	-	-	21,530
<u>2,494</u>	<u>25,679</u>	<u>28,173</u>	<u>193,476</u>
<u>2,494</u>	<u>25,679</u>	<u>28,173</u>	<u>1,158,706</u>
-	-	-	76,912
-	-	-	11,745
-	-	-	220,521
<u>270,925</u>	<u>-</u>	<u>270,925</u>	<u>891,282</u>
<u>270,925</u>	<u>-</u>	<u>270,925</u>	<u>1,200,460</u>
<u>(268,431)</u>	<u>25,679</u>	<u>(242,752)</u>	<u>(41,754)</u>
<u>162,000</u>	<u>-</u>	<u>162,000</u>	<u>162,000</u>
<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>(362,000)</u>
<u>162,000</u>	<u>(12,000)</u>	<u>150,000</u>	<u>(200,000)</u>
<u>(106,431)</u>	<u>13,679</u>	<u>(92,752)</u>	<u>(241,754)</u>
<u>317,560</u>	<u>2,019,879</u>	<u>2,337,439</u>	<u>5,631,611</u>
<u>\$ 211,129</u>	<u>\$ 2,033,558</u>	<u>\$ 2,244,687</u>	<u>\$ 5,389,857</u>

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 300,000	\$ 300,000	\$ 312,407	\$ 12,407
Other	700	700	755	55
Total Revenues	<u>300,700</u>	<u>300,700</u>	<u>313,162</u>	<u>12,462</u>
Other Financing Uses:				
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total Other Financing Uses	<u>(350,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net Change in Fund Balances	(49,300)	(49,300)	(36,838)	12,462
Fund Balances - Beginning of Year	<u>302,884</u>	<u>302,884</u>	<u>302,884</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 253,584</u>	<u>\$ 253,584</u>	<u>\$ 266,046</u>	<u>\$ 12,462</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Permits and Fees	\$ 113,170	\$ 113,170	\$ 333,253	\$ 220,083
Charges for Services	-	-	5,333	5,333
Other	3,460	3,460	9,125	5,665
Total Revenues	<u>116,630</u>	<u>116,630</u>	<u>347,711</u>	<u>231,081</u>
Expenditures:				
Capital Outlay	<u>1,615,730</u>	<u>1,771,459</u>	<u>471,898</u>	<u>1,299,561</u>
Total Expenditures	<u>1,615,730</u>	<u>1,771,459</u>	<u>471,898</u>	<u>1,299,561</u>
Net Change in Fund Balances	(1,499,100)	(1,654,829)	(124,187)	1,530,642
Fund Balances - Beginning of Year	<u>1,795,923</u>	<u>1,795,923</u>	<u>1,795,923</u>	-
Fund Balances - End of Year	<u>\$ 296,823</u>	<u>\$ 141,094</u>	<u>\$ 1,671,736</u>	<u>\$ 1,530,642</u>

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 566,300	\$ 572,011	\$ 93,305	\$ (478,706)
Other	-	-	53,701	53,701
Total Revenues	<u>566,300</u>	<u>572,011</u>	<u>147,006</u>	<u>(425,005)</u>
Expenditures:				
Current:				
Public Safety:				
Police	-	10,249	10,248	1
Physical Environment:				
Other	54,200	53,602	11,745	41,857
Culture/Recreation:				
Other	78,000	43,616	37,457	6,159
Capital Outlay	<u>470,000</u>	<u>501,544</u>	<u>53,939</u>	<u>447,605</u>
Total Expenditures	<u>602,200</u>	<u>609,011</u>	<u>113,389</u>	<u>495,622</u>
Net Change in Fund Balances	(35,900)	(37,000)	33,617	70,617
Fund Balances - Beginning of Year	<u>41,504</u>	<u>41,504</u>	<u>41,504</u>	-
Fund Balances - End of Year	<u>\$ 5,604</u>	<u>\$ 4,504</u>	<u>\$ 75,121</u>	<u>\$ 70,617</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 28,929	\$ 28,929
Fines and forfeitures	9,000	9,000	21,530	12,530
Other	-	-	1,564	1,564
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>52,023</u>	<u>43,023</u>
Expenditures:				
Current:				
Public Safety:				
Police	120,480	86,670	66,664	20,006
Capital Outlay	<u>49,500</u>	<u>108,539</u>	<u>54,539</u>	<u>54,000</u>
Total Expenditures	<u>169,980</u>	<u>195,209</u>	<u>121,203</u>	<u>74,006</u>
Net Change in Fund Balances	(160,980)	(186,209)	(69,180)	117,029
Fund Balances - Beginning of Year	<u>310,183</u>	<u>310,183</u>	<u>310,183</u>	-
Fund Balances - End of Year	<u>\$ 149,203</u>	<u>\$ 123,974</u>	<u>\$ 241,003</u>	<u>\$ 117,029</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 170,274	\$ 170,274	\$ 170,473	\$ 199
Other	-	-	100,158	100,158
Total Revenues	<u>170,274</u>	<u>170,274</u>	<u>270,631</u>	<u>100,357</u>
Expenditures:				
Current:				
General Government:				
Other	20,000	20,000	-	20,000
Culture/Recreation:				
Other	280,317	285,519	183,064	102,455
Capital Outlay	25,000	64,981	39,981	25,000
Total Expenditures	<u>325,317</u>	<u>370,500</u>	<u>223,045</u>	<u>147,455</u>
Net Change in Fund Balances	(155,043)	(200,226)	47,586	247,812
Fund Balances - Beginning of Year	<u>843,678</u>	<u>843,678</u>	<u>843,678</u>	-
Fund Balances - End of Year	<u>\$ 688,635</u>	<u>\$ 643,452</u>	<u>\$ 891,264</u>	<u>\$ 247,812</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 390	\$ 390	\$ 2,494	\$ 2,104
Total Revenues	<u>390</u>	<u>390</u>	<u>2,494</u>	<u>2,104</u>
Expenditures:				
Capital Outlay	<u>242,500</u>	<u>270,708</u>	<u>270,925</u>	<u>(217)</u>
Total Expenditures	<u>242,500</u>	<u>270,708</u>	<u>270,925</u>	<u>(217)</u>
Excess of Revenues Under Expenditures	<u>(242,110)</u>	<u>(270,318)</u>	<u>(268,431)</u>	<u>1,887</u>
Other Financing Sources:				
Transfers in	<u>162,000</u>	<u>162,000</u>	<u>162,000</u>	<u>-</u>
Total Other Financing Sources	<u>162,000</u>	<u>162,000</u>	<u>162,000</u>	<u>-</u>
Net Change in Fund Balances	(80,110)	(108,318)	(106,431)	1,887
Fund Balances - Beginning of Year	<u>317,560</u>	<u>317,560</u>	<u>317,560</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 237,450</u>	<u>\$ 209,242</u>	<u>\$ 211,129</u>	<u>\$ 1,887</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 9,000	\$ 9,000	\$ 25,679	\$ 16,679
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>25,679</u>	<u>16,679</u>
Other Financing Uses:				
Transfers out	(12,000)	(12,000)	(12,000)	-
Total Other Financing Uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Net Change in Fund Balances	(3,000)	(3,000)	13,679	16,679
Fund Balances - Beginning of Year	<u>2,019,879</u>	<u>2,019,879</u>	<u>2,019,879</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,016,879</u>	<u>\$ 2,016,879</u>	<u>\$ 2,033,558</u>	<u>\$ 16,679</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,910,000	\$ 1,910,000	\$ 2,139,530	\$ 229,530
Charges for Services	-	-	51,256	51,256
Other	19,650	19,650	87,277	67,627
Total Revenues	<u>1,929,650</u>	<u>1,929,650</u>	<u>2,278,063</u>	<u>348,413</u>
Expenditures:				
Capital Outlay	<u>3,680,479</u>	<u>6,378,078</u>	<u>4,061,018</u>	<u>2,317,060</u>
Total Expenditures	<u>3,680,479</u>	<u>6,378,078</u>	<u>4,061,018</u>	<u>2,317,060</u>
Net Change in Fund Balances	(1,750,829)	(4,448,428)	(1,782,955)	2,665,473
Fund Balances - Beginning of Year	<u>6,561,294</u>	<u>6,561,294</u>	<u>6,561,294</u>	-
Fund Balances - End of Year	<u>\$ 4,810,465</u>	<u>\$ 2,112,866</u>	<u>\$ 4,778,339</u>	<u>\$ 2,665,473</u>

Enterprise Funds

Non-Major Enterprise Funds

Enterprise Funds are used to account for the financing, acquisition, operation and maintenance of governmental facilities and services that are supported primarily by user charges.

Stormwater Fund - This fund is used to account for the provision of stormwater services to the residents of the City.

Marina Fund - This fund is used to account for the provision of marina services to the residents of the City.

Golf Course Fund - This fund is used to account for the provision of golf course services to the residents of the City.

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2015

	Storm Water	Marina	Golf Course	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 330,922	\$ 45,587	\$ -	\$ 376,509
Investments	1,100,850	50,000	-	1,150,850
Receivables:				
Interest	2,629	138	-	2,767
Accounts - billed (net)	96,421	343	-	96,764
Accounts - unbilled	39,674	-	-	39,674
Inventories	-	-	21,855	21,855
Prepaid items	2,791	1,235	9,217	13,243
Total Current Assets	<u>1,573,287</u>	<u>97,303</u>	<u>31,072</u>	<u>1,701,662</u>
Non-Current Assets:				
Capital Assets:				
Land and land rights	247,776	400	51,356	299,532
Buildings and improvements	3,993	25,388	468,792	498,173
Improvements other than buildings	3,276,929	631,849	1,225,413	5,134,191
Machinery and equipment	2,234,558	-	49,906	2,284,464
Accumulated depreciation	(1,585,853)	(514,619)	(820,555)	(2,921,027)
Construction in progress	115,763	-	17,743	133,506
Total Non-Current Assets	<u>4,293,166</u>	<u>143,018</u>	<u>992,655</u>	<u>5,428,839</u>
Total Assets	<u>5,866,453</u>	<u>240,321</u>	<u>1,023,727</u>	<u>7,130,501</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	29,723	1,055	62,975	93,753
Accrued liabilities	6,055	755	5,872	12,682
Contracts payable	5,551	-	1,554	7,105
Due to other fund (deficit in pooled cash)	-	-	753,859	753,859
Advance from other fund	-	-	323,828	323,828
Customer deposits	-	2,342	-	2,342
Compensated absences	799	-	615	1,414
Unavailable revenue	-	-	12,814	12,814
Total Current Liabilities	<u>42,128</u>	<u>4,152</u>	<u>1,161,517</u>	<u>1,207,797</u>
Non-Current Liabilities:				
Other postemployment benefits	13,004	-	6,405	19,409
Compensated absences	7,140	1,330	15,686	24,156
Total Non-Current Liabilities	<u>20,144</u>	<u>1,330</u>	<u>22,091</u>	<u>43,565</u>
Total Liabilities	<u>62,272</u>	<u>5,482</u>	<u>1,183,608</u>	<u>1,251,362</u>
NET POSITION				
Net investment in capital assets	4,293,165	143,018	992,655	5,428,838
Restricted:				
Other contractual obligations	2,791	1,235	31,072	35,098
Unrestricted (deficit)	1,508,225	90,586	(1,183,608)	415,203
Total Net Position	<u>\$ 5,804,181</u>	<u>\$ 234,839</u>	<u>\$ (159,881)</u>	<u>\$ 5,879,139</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, 2015

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	\$ 1,144,331	\$ 70,689	\$ 1,298,291	\$ 2,513,311
Other	25	395	2,120	2,540
Total Operating Revenues	1,144,356	71,084	1,300,411	2,515,851
Operating Expenses:				
Personnel services	360,539	52,432	378,974	791,945
Contractual services	162,729	20,309	598,687	781,725
Supplies	75,060	2,557	135,217	212,834
Repairs and maintenance	83,218	802	18,472	102,492
Utilities	3,966	16,555	67,352	87,873
Depreciation	317,077	16,748	58,996	392,821
Total Operating Expenses	1,002,589	109,403	1,257,698	2,369,690
Operating Income (Loss)	141,767	(38,319)	42,713	146,161
Non-Operating Revenues (Expenses):				
Investment income	10,225	639	-	10,864
Net change in fair value of investments	3,419	-	-	3,419
Other	(874)	-	-	(874)
Total Non-Operating Revenues	12,770	639	-	13,409
Income (Loss) before Transfers	154,537	(37,680)	42,713	159,570
Transfers out	(108,664)	-	(134,740)	(243,404)
	(108,664)	-	(134,740)	(243,404)
Change in Net Position	45,873	(37,680)	(92,027)	(83,834)
Net Position - Beginning of Year	5,758,308	272,519	(67,854)	5,962,973
Net Position - End of Year	\$ 5,804,181	\$ 234,839	\$ (159,881)	\$ 5,879,139

**CITY OF TARPON SPRINGS, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,138,932	\$ 70,683	\$ 1,305,421	\$ 2,515,036
Cash payments to suppliers	(331,062)	(40,284)	(882,150)	(1,253,496)
Cash payments to employees	(354,097)	(50,846)	(370,281)	(775,224)
Other	(874)	-	-	(874)
Net cash provided (used) by operating activities	<u>452,899</u>	<u>(20,447)</u>	<u>52,990</u>	<u>485,442</u>
Cash flows from noncapital financing activities:				
Transfers out	(108,664)	-	(134,740)	(243,404)
Advance from other fund	-	-	(38,965)	(38,965)
Payment of cash on loans to/from other funds	-	-	140,884	140,884
Net cash used by noncapital financing activities	<u>(108,664)</u>	<u>-</u>	<u>(32,821)</u>	<u>(141,485)</u>
Cash flows from capital and related financing activities:				
Disposal of capital assets	212	-	-	212
Acquisition and construction of capital assets	(820,163)	-	(20,169)	(840,332)
Net cash used for capital and related financing activities	<u>(819,951)</u>	<u>-</u>	<u>(20,169)</u>	<u>(840,120)</u>
Cash flows from investing activities:				
Interest on investments	10,225	639	-	10,864
Proceeds of investment sales & maturities	500,000	50,000	-	550,000
Purchase of investments	(500,000)	(50,000)	-	(550,000)
Net cash provided by investing activities	<u>10,225</u>	<u>639</u>	<u>-</u>	<u>10,864</u>
Net decrease in cash and cash equivalents	(465,491)	(19,808)	-	(485,299)
Cash and cash equivalents at beginning of year	<u>796,413</u>	<u>65,395</u>	<u>-</u>	<u>861,808</u>
Cash and cash equivalents at end of year	<u>\$ 330,922</u>	<u>\$ 45,587</u>	<u>\$ -</u>	<u>\$ 376,509</u>
Cash and cash equivalents classified as:				
Cash and cash equivalents	\$ 330,922	\$ 45,587	\$ -	\$ 376,509

**CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 141,767	\$ (38,319)	\$ 42,713	\$ 146,161
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other	(874)	-	-	(874)
Depreciation expense	317,077	16,748	58,996	392,821
Change in assets and liabilities:				
Increase in accounts receivable - interest	(350)	(58)	-	(408)
Increase in accounts receivable - billed (net)	(4,216)	(343)	-	(4,559)
Increase in unbilled accounts receivable	(858)	-	-	(858)
Decrease in inventories	-	-	21,530	21,530
Increase in prepaid items	(445)	(21)	(170)	(636)
Decrease in accounts and contracts payable	(5,644)	(315)	(83,782)	(89,741)
Increase in accrued liabilities	3,085	256	1,038	4,379
Increase in unavailable revenue	-	-	5,010	5,010
Increase in customer deposits	-	275	-	275
Increase in other postemployment benefits	1,515	-	928	2,443
Increase in compensated absences	1,842	1,330	6,727	9,899
Total adjustments	<u>311,132</u>	<u>17,872</u>	<u>10,277</u>	<u>339,281</u>
Net cash provided (used) by operating activities	<u>\$ 452,899</u>	<u>\$ (20,447)</u>	<u>\$ 52,990</u>	<u>\$ 485,442</u>

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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, 2015**

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 144,671	\$ 404,946	\$ 549,617
Investments	-	1,253,246	1,253,246
Accounts receivable - interest	-	4,106	4,106
Advance to other fund	-	520,129	520,129
Inventories	40,926	-	40,926
Prepaid items	2,502	-	2,502
Total Current Assets	<u>188,099</u>	<u>2,182,427</u>	<u>2,370,526</u>
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	323,513	71,592	395,105
Machinery and equipment	96,926	20,312	117,238
Accumulated depreciation	(181,608)	(13,659)	(195,267)
Construction in progress	7,448	1,000	8,448
Total Non-Current Assets	<u>291,035</u>	<u>79,245</u>	<u>370,280</u>
Total Assets	<u>479,134</u>	<u>2,261,672</u>	<u>2,740,806</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	74,754	74,606	149,360
Accrued liabilities	3,844	-	3,844
Claims payable	-	11,196	11,196
Compensated absences	3,591	-	3,591
Unavailable revenue	-	4,191	4,191
Total Current Liabilities	<u>82,189</u>	<u>89,993</u>	<u>172,182</u>
Non-Current Liabilities:			
Claims payable	-	194,657	194,657
Other postemployment benefits	8,851	-	8,851
Compensated absences	1,261	-	1,261
Total Non-Current Liabilities	<u>10,112</u>	<u>194,657</u>	<u>204,769</u>
Total Liabilities	<u>92,301</u>	<u>284,650</u>	<u>376,951</u>
NET POSITION			
Net investment in capital assets	291,035	79,245	370,280
Restricted for:			
Other contractual obligations	43,428	520,129	563,557
Unrestricted	52,370	1,377,648	1,430,018
Total Net Position	<u>\$ 386,833</u>	<u>\$ 1,977,022</u>	<u>\$ 2,363,855</u>

**CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Governmental Activities		
	Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	\$ 1,033,038	\$ 477,869	\$ 1,510,907
Other	18,201	-	18,201
Total Operating Revenues	<u>1,051,239</u>	<u>477,869</u>	<u>1,529,108</u>
Operating Expenses:			
Personnel services	226,319	-	226,319
Contractual services	15,458	-	15,458
Supplies	398,267	3,014	401,281
Repairs and maintenance	455,845	-	455,845
Utilities	892	-	892
Claims	-	146,724	146,724
Insurance	-	493,866	493,866
Depreciation	33,095	3,139	36,234
Total Operating Expenses	<u>1,129,876</u>	<u>646,743</u>	<u>1,776,619</u>
Operating Loss	<u>(78,637)</u>	<u>(168,874)</u>	<u>(247,511)</u>
Non-Operating Revenues:			
Investment income	353	15,294	15,647
Net change in fair value of investments	-	5,013	5,013
Total Non-Operating Revenues	<u>353</u>	<u>20,307</u>	<u>20,660</u>
Change in Net Position	(78,284)	(148,567)	(226,851)
Net Position - Beginning of Year	<u>465,117</u>	<u>2,125,589</u>	<u>2,590,706</u>
Net Position - End of Year	<u>\$ 386,833</u>	<u>\$ 1,977,022</u>	<u>\$ 2,363,855</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	\$ 1,051,239	\$ 479,375	\$ 1,530,614
Cash payments to suppliers	(821,873)	(501,351)	(1,323,224)
Cash payments to employees	(238,635)	-	(238,635)
Net cash used by operating activities	<u>(9,269)</u>	<u>(21,976)</u>	<u>(31,245)</u>
Cash flows from noncapital financing activities:			
Advance to other fund	-	80,949	80,949
Net cash provided by noncapital financing activities	<u>-</u>	<u>80,949</u>	<u>80,949</u>
Cash flows from capital and related financing activities:			
Disposal of capital assets	347		347
Acquisition and construction of capital assets	(98,874)	(72,592)	(171,466)
Net cash used by capital and related financing activities	<u>(98,527)</u>	<u>(72,592)</u>	<u>(171,119)</u>
Cash flows from investing activities:			
Interest on investments	353	15,294	15,647
Proceeds of investment sales & maturities	-	500,000	500,000
Purchase of investments	-	(750,000)	(750,000)
Net cash provided (used) by investing activities	<u>353</u>	<u>(234,706)</u>	<u>(234,353)</u>
Net decrease in cash and cash equivalents	(107,443)	(248,325)	(355,768)
Cash and cash equivalents at beginning of year	252,114	653,271	905,385
Cash and cash equivalents at end of year	<u>\$ 144,671</u>	<u>\$ 404,946</u>	<u>\$ 549,617</u>
Cash and cash equivalents classified as:			
Cash and cash equivalents	<u>\$ 144,671</u>	<u>\$ 404,946</u>	<u>\$ 549,617</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (78,637)	\$ (168,874)	\$ (247,511)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	33,095	3,139	36,234
Change in assets and liabilities:			
Increase in accounts receivable-interest	-	(2,685)	(2,685)
Decrease in inventories	11,390	-	11,390
Decrease in prepaid items	31	-	31
Increase in accounts and contracts payable	37,168	35,605	72,773
Increase in accrued liabilities	759	-	759
Increase in claims payable	-	106,648	106,648
Increase in unavailable revenue	-	4,191	4,191
Increase in other postemployment benefits	1,236	-	1,236
Decrease in compensated absences	(14,311)	-	(14,311)
Total adjustments	<u>69,368</u>	<u>146,898</u>	<u>216,266</u>
Net cash used by operating activities	<u>\$ (9,269)</u>	<u>\$ (21,976)</u>	<u>\$ (31,245)</u>

Fiduciary Funds

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties.

Police Officers Pension - This fund is used to account for a defined benefit pension plan for City police officers.

Firefighters Pension - This fund is used to account for a defined benefit pension plan for City firefighters.

General Employees Pension - This fund is used to account for a defined contribution pension plan for all City employees other than police officers and firefighters.

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
	Pension	Pension	Pensions	Total
Assets				
Cash and cash equivalents	\$ 850,762	\$ 1,240,337	\$ -	\$ 2,091,099
Accounts receivable	-	3,863	18,105	21,968
Interest receivable	57,925	48,363	-	106,288
Prepaid items	-	-	2,933	2,933
Investments, at fair value:				
U.S. Government Securities	7,688,880	1,221,712	-	8,910,592
Equities Common Stock	14,248,227	12,766,029	-	27,014,256
Mutual Funds	-	-	8,359,863	8,359,863
Corporate Bonds	969,441	4,352,067	-	5,321,508
Real Estate	-	2,206,421	-	2,206,421
Total Investments	<u>22,906,548</u>	<u>20,546,229</u>	<u>8,359,863</u>	<u>51,812,640</u>
Total Assets	<u>23,815,235</u>	<u>21,838,792</u>	<u>8,380,901</u>	<u>54,034,928</u>
Liabilities				
Accounts payable	-	120,000	-	120,000
Total Liabilities	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Net Position				
Held in Trust for Pension Benefits	<u>\$ 23,815,235</u>	<u>\$ 21,718,792</u>	<u>\$ 8,380,901</u>	<u>\$ 53,914,928</u>

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
	_____	_____	_____	_____
Additions:				
Contributions:				
Employer	\$ 511,303	\$ 831,737	\$ 667,055	\$ 2,010,095
Plan members	262,499	183,224	44,505	490,228
State of Florida	207,814	234,259	-	442,073
Total Contributions	<u>981,616</u>	<u>1,249,220</u>	<u>711,560</u>	<u>2,942,396</u>
Investment Income:				
Net increase (decrease) in fair value of investments (realized and unrealized)	(471,488)	59,129	(269,265)	(681,624)
Interest	317,096	152,907	239,248	709,251
Dividends	221,641	255,947	-	477,588
	<u>67,249</u>	<u>467,983</u>	<u>(30,017)</u>	<u>505,215</u>
Less Investment Expenses:				
Investment management fees	120,105	78,977	-	199,082
	<u>120,105</u>	<u>78,977</u>	<u>-</u>	<u>199,082</u>
Net Investment Income (Loss)	<u>(52,856)</u>	<u>389,006</u>	<u>(30,017)</u>	<u>306,133</u>
Total Additions	<u>928,760</u>	<u>1,638,226</u>	<u>681,543</u>	<u>3,248,529</u>
Deductions:				
Benefits	839,369	978,044	818,268	2,635,681
Refunds of contributions	40,613	13,177	-	53,790
Administrative expense	48,901	139,299	55,316	243,516
Total Deductions	<u>928,883</u>	<u>1,130,520</u>	<u>873,584</u>	<u>2,932,987</u>
Change in Net Position	(123)	507,706	(192,041)	315,542
Net Position - Beginning of Year	<u>23,815,358</u>	<u>21,211,086</u>	<u>8,572,942</u>	<u>53,599,386</u>
Net Position - End of Year	<u>\$ 23,815,235</u>	<u>\$ 21,718,792</u>	<u>\$ 8,380,901</u>	<u>\$ 53,914,928</u>

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**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, 2015

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	\$ 1,382,721	\$ 1,382,721	\$ -
Total Revenue	<u>1,382,721</u>	<u>1,382,721</u>	<u>-</u>
Expenditures:			
Salaries and Benefits	1,236,197	1,313,332	(77,135)
Operating Expenditures	<u>146,524</u>	<u>95,097</u>	<u>51,427</u>
Total Expenditures	<u>1,382,721</u>	<u>1,408,429</u>	<u>(25,708)</u>
Deficiency of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ (25,708)</u>	<u>\$ (25,708)</u>

1 EMS Funding FY 14-15 Received by Contractor	\$ 1,382,721
2 EMS Allowable Costs Incurred by Contractor	1,408,429
3 Difference (If Excess Revenues) Due to Pinellas County	<u>\$ (25,708)</u>

Reserve for Future Years:

Beginning of Fiscal Year 10/1/2014	\$ -
Additions:	
Reserve funding FY 2015	-
Reductions:	
FY 2015 Budget	<u>-</u>
End of Fiscal Year - 9/30/2015	<u>\$ -</u>

**CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
General Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 3,055,054	\$ 3,072,241	\$ 17,187
Tarpon Springs Fire District Funds	<u>402,337</u>	<u>345,748</u>	<u>(56,589)</u>
Total Revenues	<u>3,457,391</u>	<u>3,417,989</u>	<u>(39,402)</u>
Expenditures:			
Salaries and Benefits	3,026,277	2,828,630	197,647
Operating Expenditures	416,599	574,846	(158,247)
Capital Outlay	<u>14,515</u>	<u>14,513</u>	<u>2</u>
Total Expenditures	<u>3,457,391</u>	<u>3,417,989</u>	<u>39,402</u>
Excess of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Special Revenue Fund - Fire Impacts			
Revenues:			
Fire Impact Fees	\$ 17,381	\$ 76,009	\$ 58,628
Tarpon Springs Fire District Funds	-	5,333	5,333
Interest	400	840	440
Fire Impact - Carryover	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Total Revenues	<u>167,781</u>	<u>82,182</u>	<u>(85,599)</u>
Expenditures:			
Capital Outlay	<u>167,781</u>	<u>83,545</u>	<u>84,236</u>
Total Expenditures	<u>167,781</u>	<u>83,545</u>	<u>84,236</u>
Excess of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>(1,363)</u>	\$ <u>(1,363)</u>
Capital Project Fund			
Revenues:			
Municipality - City of Tarpon Springs (1)	\$ 1,149,231	\$ 1,029,450	\$ (119,781)
Tarpon Springs Fire District Funds	-	51,256	51,256
Total Revenues	<u>1,149,231</u>	<u>1,080,706</u>	<u>(68,525)</u>
Expenditures:			
Capital Outlay	1,149,231	1,080,706	68,525
Debt Service Interest - Fire Truck	-	-	-
Total Expenditures	<u>1,149,231</u>	<u>1,080,706</u>	<u>68,525</u>
Excess of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Grand Total			
Total Revenues	\$ 4,774,403	\$ 4,580,877	\$ (193,526)
Total Expenditures	<u>4,774,403</u>	<u>4,582,240</u>	<u>192,163</u>
Excess of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>(1,363)</u>	\$ <u>(1,363)</u>
(1) Expenditures not covered through Fire District funds are provided by the City.			
1 Total Expenditures by Contractor		\$ 4,582,240	
2 Less: Other Revenues Received by Contractor		<u>-</u>	
3 Total Outlay by Contractor		<u>4,582,240</u>	
4 Pinellas County Percentage of District		9.77%	
5 Total Pinellas County Share (3 times 4)		<u>447,685</u>	
6 Pinellas County Paid to Contractor		<u>402,337</u>	
Fire District Funding FY 2015		<u>402,337</u>	
Total Pinellas County Paid to Contractor		<u>402,337</u>	
7 Total Due to Pinellas County (6 less 5), if negative none due		\$ (45,348)	
Reserve for Future Years:			
Beginning of Fiscal Year 10/1/2014	\$ 180,282		
Additions:			
Reserve funding FY 2015	12,213		
Reductions:			
	<u>-</u>		
End of Fiscal Year - 9/30/2015	\$ <u>192,495</u>		

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CITY OF TARPON SPRINGS, FLORIDA

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

**Year Ended September 30, 2015
(With Independent Auditor's Report Thereon)**

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CITY OF TARPON SPRINGS
FLORIDA
HILLSBORO COUNTY, FLORIDA



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying special purpose Schedule of Revenues and Expenditures of the Emergency Medical Services Department ("Schedule") for the year ended September 30, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the requirements of the ALS First Responder Agreement; 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 opinions 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 special purpose Schedule is free of 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 special purpose Schedule 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.

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

Opinion

In our opinion, the Schedule referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures of the City of Tarpon Springs' Emergency Medical Services ("EMS") Department for the year ended September 30, 2015 in accordance with the requirements of the ALS First Responder Agreement.

Other Matters

As discussed in Note 1, the Schedule presents only the revenues and expenditures of the EMS of the City and does not purport to, and does not, present fairly the financial position of the City as of September 30, 2015, 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 members of the EMS Authority, the Mayor, the Board of Commissioners and management of the City, and is not intended to and should not be used by anyone other than those specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016

CITY OF TARPON SPRINGS

Schedule of Revenues and Expenditures of the EMS Department

Year Ended September 30, 2015

Funds provided by the EMS Authority (a)	<u>\$ 1,382,721</u>
Total expenditures by City (b)	<u>1,408,429</u>
EMS allowable costs	<u>1,408,429</u>
Total due to EMS Authority (c)	<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

Notes to Schedule of Revenues and Expenditures of the EMS Department

Year Ended September 30, 2015

(1) **Reporting Entity**

The City of Tarpon Springs, Florida (the "City") is a political subdivision of the State of Florida. The special purpose Schedule of Revenues and Expenditures of the EMS Department ("Schedule") only contains the revenues and expenditures of the EMS of the City and is not intended to present the revenues and expenditures of the City for the year ended September 30, 2015 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 special purpose Schedule 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 special purpose 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

Instructions:

In accordance with Section 706 of the 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)	<u>City of Tarpon Springs</u>
Name of Person Completing Form	<u>Ron Harring, Finance Director</u>
Phone Number and Email Address	<u>(727) 942-5612, rharring@ctsfl.us</u>

1. EMS Funding Received by Contractor	<u>\$1,382,721</u>	Audit Page: N/A
2. EMS Allowable Costs Incurred by Contractor	<u>\$1,408,429</u>	Audit Page: N/A
3. Difference (If excess, amount due to Pinellas County)	<u>\$ 25,708</u>	Audit Page: N/A

**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.

Mason Stephens Lovelace, P.A.

Signature and Date, Contractor's External Auditor

CITY OF TARPON SPRINGS, FLORIDA

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

**Year Ended September 30, 2015
(With Independent Auditor's Report Thereon)**

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COMMISSIONERS
PINELLAS COUNTY FLORIDA



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying special purpose Schedule of Revenues and Expenditures of the Fire Department ("Schedule") for the year ended September 30, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the Fire Protection Services Agreement; 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 opinions 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 special purpose Schedule is free of 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 special purpose Schedule 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.

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

Opinion

In our opinion, the Schedule referred to in the first paragraph presents fairly, in all material respects, the revenues and expenditures of the City of Tarpon Springs' Fire Department for the year ended September 30, 2015 in accordance with the basis of accounting described in Note 2.

Other 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, 2015, 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 Fire Protection Services Agreement, 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, members of the Board of Commissioners and management of the City for filing with the Pinellas County Fire Authority, and is not intended to and should not be used by anyone other than those specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016

CITY OF TARPON SPRINGS

Schedule of Revenues and Expenditures of the Fire Department

Year Ended September 30, 2015

Pinellas County Funds paid to contractor	\$ 402,337
Reimbursement to County for FY14 overpayment	<u>-</u>
Funds provided by Pinellas County (a)	<u>402,337</u>
Total expenditures by City (b)	<u>4,582,240</u>
Fire allowable costs	<u>4,582,240</u>
Pinellas County Percentage of District	<u>9.77%</u>
Total Pinellas County share	<u>447,685</u>
Total due to Fire District (c)	<u>\$ 45,348</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

Notes to Schedule of Revenues and Expenditures of the Fire Department

Year Ended September 30, 2015

(1) **Reporting Entity**

The City of Tarpon Springs, Florida (the "City") is a political subdivision of the State of Florida. The special purpose Schedule of Revenues and Expenditures of 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, 2015 in accordance with U.S. generally accepted accounting principles.

The special purpose Schedule 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 special purpose Schedule is presented using the modified accrual basis of accounting for the purpose of complying with the Fire Protection Services 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.

**APPENDIX C
SUPPLEMENTAL FINANCIAL INFORMATION**

In accordance with Pinellas County Home Rule Charter and Chapter 52, Article 11 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 are to be returned to Pinellas County where these funds will be retained in a discrete special revenue fund for the Fire District. Funds paid to the Contractor in excess of amounts actually expended shall be returned to the County within thirty (30) calendar days of the County's review and acceptance of the Contractor's annual external audit.

In accordance with Section 409(a), the following form will be provided to Pinellas County within 20 days after receipt by the Contractor the year following the audited year together with the Financials.

To be Completed by Contractor

Contractor Name: City of Tarpon Springs
 Person Completing: Ron Haring, Finance Director
 Form Phone Number: (727) 942-5612
 Fiscal Year: 2015

Note: All allowances are only to the Fire District, and do not include any revenues 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 using information contained in the audited financials.

		Audit Page
1. Total Expenditures by Contractor	4,582,240	
2. Less: Other Revenues received by Contractor*		
4. Total Outlay by Contractor (1 less 2)	\$ 4,582,240 -	
6. Pinellas County Percentage of District**	9.77%	
8. Total Pinellas County Share (3 times 4)	\$ 447,685 -	
10. Pinellas County paid to Contractor	402,337	
12. Total Due to Pinellas County (Fire District) (8 less 5)	\$ <45,348> -	
8. Fund Balance retained by Contractor	-	

* Includes interest and other fire protection agreements revenue ** To be provided by Pinellas County Fire Authority

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

Signature

Date

Please return completed form to:

Pinellas County Safety & Emergency Services
 Fire Administration
 12490 Ulmerton Road
 Largo, FL 33774

or email to:

kcervone@pinellascounty.org

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

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, 2015
- 13 Legal Debt Margin Information - Last Ten Fiscal Years
- 14 Pledged-Revenue Coverage - Last Ten Fiscal Years

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- 15 Demographic and Economic Statistics - Last Ten Fiscal Years
- 16 Principal Employers, Pinellas County - Current Year and Nine Years Ago

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- 17 Full-time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
- 18 Operating Indicators by Function/Program - Last Ten Fiscal Years
- 19 Capital Asset Statistics by Function/Program - Last Ten Fiscal Years

City of Tarpon Springs, Florida
Schedule 1
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 37,736,364	\$ 39,016,438	\$ 40,154,559	\$ 40,672,112
Restricted	13,076,123	13,569,645	14,103,319	13,113,128
Unrestricted	11,798,741	13,648,350	14,374,903	17,358,272
Total governmental activities net position	<u>\$ 62,611,228</u>	<u>\$ 66,234,433</u>	<u>\$ 68,632,781</u>	<u>\$ 71,143,512</u>
Business-type activities:				
Net investment in capital assets	\$ 18,705,194	\$ 20,367,137	\$ 22,499,445	\$ 24,561,610
Restricted	4,661,600	4,468,380	3,940,536	3,531,319
Unrestricted	11,168,369	12,088,334	12,092,799	12,467,175
Total business-type activities net position	<u>\$ 34,535,163</u>	<u>\$ 36,923,851</u>	<u>\$ 38,532,780</u>	<u>\$ 40,560,104</u>
Primary government:				
Net investment in capital assets	\$ 56,441,558	\$ 59,383,575	\$ 62,654,004	\$ 65,233,722
Restricted	17,737,723	18,038,025	18,043,855	16,644,447
Unrestricted	22,967,110	25,736,684	26,467,702	29,825,447
Total primary government net position	<u>\$ 97,146,391</u>	<u>\$ 103,158,284</u>	<u>\$ 107,165,561</u>	<u>\$ 111,703,616</u>

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

- A) Increase due to construction of new Alternative Water Plant
- B) Decrease in FY 2014 due to Reserve in FY 2013 for emergency sewer break
- C) Decrease in FY 2014 due to expenses for Alternative Water Plant, FY 2015 SWFMD receipts will alleviate this.

Fiscal Year					
2010	2011	2012	2013	2014 *	2015
\$ 41,281,743	\$ 42,581,135	\$ 42,653,653	\$ 44,380,440	\$ 45,090,304	\$ 48,199,096
13,322,303	12,914,081	12,896,516	12,423,712	13,233,342	11,331,250
18,530,274	19,466,009	19,615,271	18,237,353	14,435,502	13,678,169
<u>\$ 73,134,320</u>	<u>\$ 74,961,225</u>	<u>\$ 75,165,440</u>	<u>\$ 75,041,505</u>	<u>\$ 72,759,148</u>	<u>\$ 73,208,515</u>
\$ 26,067,196	\$ 26,751,911	\$ 30,787,409	\$ 33,033,440	\$ 47,376,740	\$ 57,038,372
3,686,103	4,283,180	2,986,956	8,244,803	5,647,475	5,801,091
11,617,680	12,354,958	14,259,417	10,623,313	6,885,518	8,739,652
<u>\$ 41,370,979</u>	<u>\$ 43,390,049</u>	<u>\$ 48,033,782</u>	<u>\$ 51,901,556</u>	<u>\$ 59,909,733</u>	<u>\$ 71,579,115</u>
\$ 67,348,939	\$ 69,333,046	\$ 73,441,062	\$ 77,413,880	\$ 92,467,044	\$ 105,237,468
17,008,406	17,197,261	15,883,472	20,668,515	18,880,817	17,132,341
30,147,954	31,820,967	33,874,688	28,860,666	21,321,020	22,417,821
<u>\$ 114,505,299</u>	<u>\$ 118,351,274</u>	<u>\$ 123,199,222</u>	<u>\$ 126,943,061</u>	<u>\$ 132,668,881</u>	<u>\$ 144,787,630</u>

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

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 2,925,108	\$ 3,147,383	\$ 3,424,454	\$ 3,247,806
Public safety	9,945,624	10,522,659	11,231,522	11,007,450
Physical environment	1,142,041	1,164,477	1,188,796	1,086,567
Transportation	2,038,187	2,153,470	2,140,625	2,154,244
Economic environment	170,308	226,684	120,911	182,489
Culture/recreation	3,739,062	3,903,443	4,043,603	3,968,052
Interest on long-term debt	74,293	63,583	52,844	25,011
Total governmental activities expenses	<u>20,034,623</u>	<u>21,181,699</u>	<u>22,202,755</u>	<u>21,671,619</u>
Business-type activities:				
Water/Sewer	8,834,231	9,578,521	9,740,837	9,639,797
Sanitation	3,451,813	5,404,705	5,124,329	4,931,648
Storm Water	407,122	515,663	595,846	679,599
Golf Course	1,209,816	1,232,950	1,249,106	1,230,148
Marina	81,136	87,026	92,358	91,013
Total business-type activities expenses	<u>13,984,118</u>	<u>16,818,865</u>	<u>16,802,476</u>	<u>16,572,205</u>
Total primary government expenses	<u>\$ 34,018,741</u>	<u>\$ 38,000,564</u>	<u>\$ 39,005,231</u>	<u>\$ 38,243,824</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 815,254	\$ 744,672	\$ 655,871	\$ 507,018
Public safety	1,989,975	1,767,905	1,944,316	1,854,563
Physical environment	235,625	206,983	186,229	196,589
Transportation	16,778	13,425	13,154	9,288
Culture/recreation	262,543	344,711	346,256	374,944
Operating grants and contributions	808,254	739,036	753,292	554,398
Capital grants and contributions	612,916	467,570	767,599	510,046
Total governmental activities program revenues	<u>4,741,345</u>	<u>4,284,302</u>	<u>4,666,717</u>	<u>4,006,846</u>
Business-type activities:				
Charges for services:				
Water/Sewer	9,969,469	10,409,561	10,305,918	10,315,485
Sanitation	3,780,675	5,950,190	5,484,602	5,263,508
Storm Water	1,092,017	1,111,836	1,095,245	990,438
Golf Course	1,536,822	1,575,508	1,407,793	1,367,577
Marina	68,077	68,373	65,505	65,828
Operating grants and contributions	333,797	-	-	-
Capital grants and contributions	508,937	216,312	501,676	844,387
Total business-type activities program revenues	<u>17,289,794</u>	<u>19,331,780</u>	<u>18,860,739</u>	<u>18,847,223</u>
Total primary government program revenues	<u>\$ 22,031,139</u>	<u>\$ 23,616,082</u>	<u>\$ 23,527,456</u>	<u>\$ 22,854,069</u>

Fiscal Year

2010	2011	2012	2013	2014	2015*
\$ 3,151,755	\$ 3,090,494	\$ 2,789,491	\$ 2,927,360	\$ 3,017,621	\$ 3,194,628
11,296,815	11,325,115	11,712,003	12,282,243	12,723,797	13,021,016
1,129,614	1,155,888	1,240,584	1,177,133	1,171,151	994,433
2,130,186	2,077,166	2,116,119	2,200,491	2,315,266	2,267,686
361,444	230,382	365,584	466,831	457,145	452,117
3,862,643	3,780,449	3,899,214	3,901,603	4,002,625	4,083,635
23,373	16,841	12,542	8,114	3,526	-
<u>21,955,830</u>	<u>21,676,335</u>	<u>22,135,537</u>	<u>22,963,775</u>	<u>23,691,131</u>	<u>24,013,515</u>
9,681,751	9,407,340	9,348,746	11,139,707	11,328,461	12,745,072
4,877,167	4,888,177	3,701,551	3,705,989	3,892,966	4,106,003
814,746	656,883	687,356	764,604	835,943	1,003,463
1,185,149	1,178,261	1,217,951	1,222,499	1,111,819	1,257,698
94,279	96,211	84,547	88,566	92,019	109,403
<u>16,653,092</u>	<u>16,226,872</u>	<u>15,040,151</u>	<u>16,921,365</u>	<u>17,261,208</u>	<u>19,221,639</u>
<u>\$ 38,608,922</u>	<u>\$ 37,903,207</u>	<u>\$ 37,175,688</u>	<u>\$ 39,885,140</u>	<u>\$ 40,952,339</u>	<u>\$ 43,235,154</u>
\$ 530,030	\$ 526,133	\$ 545,215	\$ 630,026	\$ 643,467	\$ 657,837
2,121,388	2,094,293	1,868,326	2,109,951	2,380,485	2,392,264
111,909	218,822	169,750	177,515	209,146	168,483
-	-	-	-	-	-
376,447	352,600	374,117	378,345	423,844	356,468
890,126	752,469	604,223	632,434	917,380	708,400
730,133	877,714	160,702	1,103,109	375,687	386,754
<u>4,760,033</u>	<u>4,822,031</u>	<u>3,722,333</u>	<u>5,031,380</u>	<u>4,950,009</u>	<u>4,670,206</u>
10,277,658	10,987,035	11,698,218	12,656,837	13,067,679	13,626,383
5,170,267	5,089,668	4,031,733	4,108,504	4,290,803	4,501,118
1,106,548	1,103,375	1,106,378	1,112,834	1,148,787	1,144,356
1,246,668	1,297,338	1,363,095	1,454,599	1,064,827	1,300,411
71,609	68,882	45,235	50,684	60,861	71,084
-	-	44,988	13,469	-	-
164,608	425,317	2,116,009	2,259,507	6,388,338	11,048,730
<u>18,037,358</u>	<u>18,971,615</u>	<u>20,405,656</u>	<u>21,656,434</u>	<u>26,021,295</u>	<u>31,692,082</u>
<u>\$ 22,797,391</u>	<u>\$ 23,793,646</u>	<u>\$ 24,127,989</u>	<u>\$ 26,687,814</u>	<u>\$ 30,971,304</u>	<u>\$ 36,362,288</u>

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

	Fiscal Year			
	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental activities	\$ (15,293,278)	\$ (16,897,397)	\$ (17,536,038)	\$ (17,664,773)
Business-type activities	3,305,676	2,512,915	2,058,263	2,275,018
Total primary government net expense	<u>\$ (11,987,602)</u>	<u>\$ (14,384,482)</u>	<u>\$ (15,477,775)</u>	<u>\$ (15,389,755)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 6,918,016	\$ 8,112,444	\$ 8,077,123	\$ 7,991,275
Property - TIF	167,785	231,462	236,657	280,701
Franchise fees (A)	1,745,510	1,730,658	-	-
Utility	2,162,797	2,227,055	2,248,065	2,303,766
Communication service	1,237,585	1,239,970	1,228,056	1,369,298
Half-cent sales	1,358,132	1,318,498	1,276,883	1,182,942
Local option gas	178,776	171,320	307,345	297,770
Local option sales	1,947,447	1,891,820	1,798,029	1,650,590
Local business (A)	-	-	196,058	193,362
Other	55,324	55,983	58,161	59,029
Franchise fees (A)	-	-	1,693,510	1,838,955
State revenue sharing	740,248	726,052	680,637	617,725
Investment income	1,273,311	1,781,454	1,070,299	749,301
Miscellaneous	227,441	193,986	150,663	713,590
Transfers	826,700	839,900	912,900	927,200
Total governmental activities	<u>18,839,072</u>	<u>20,520,602</u>	<u>19,934,386</u>	<u>20,175,504</u>
Business-type activities:				
Investment income	590,393	715,673	463,566	679,506
Transfers	(826,700)	(839,900)	(912,900)	(927,200)
Total business-type activities	<u>(236,307)</u>	<u>(124,227)</u>	<u>(449,334)</u>	<u>(247,694)</u>
Total primary government	<u>\$ 18,602,765</u>	<u>\$ 20,396,375</u>	<u>\$ 19,485,052</u>	<u>\$ 19,927,810</u>
Change in Net Position				
Governmental activities	\$ 3,545,794	\$ 3,623,205	\$ 2,398,348	\$ 2,510,731
Business-type activities	3,069,369	2,388,688	1,608,929	2,027,324
Total primary government	<u>\$ 6,615,163</u>	<u>\$ 6,011,893</u>	<u>\$ 4,007,277</u>	<u>\$ 4,538,055</u>

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

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					
2010	2011	2012	2013	2014	2015*
\$ (17,195,797)	\$ (16,854,304)	\$ (18,413,204)	\$ (17,932,395)	\$ (18,741,122)	\$ (19,343,309)
1,384,266	2,744,743	5,365,505	4,735,069	8,760,087	12,470,443
<u>\$ (15,811,531)</u>	<u>\$ (14,109,561)</u>	<u>\$ (13,047,699)</u>	<u>\$ (13,197,326)</u>	<u>\$ (9,981,035)</u>	<u>\$ (6,872,866)</u>
\$ 7,648,740	\$ 7,375,405	\$ 7,026,707	\$ 6,853,987	\$ 6,972,982	\$ 7,378,995
191,121	145,579	121,924	115,714	135,007	151,086
-	-	-	-	-	-
2,621,960	2,515,843	2,386,538	2,603,245	2,796,901	2,778,970
1,199,683	1,128,100	1,142,824	1,073,489	1,024,720	967,373
1,173,804	1,209,877	1,236,403	1,292,192	1,372,185	1,450,989
298,150	290,820	295,330	301,086	301,389	312,407
1,610,685	1,665,280	1,762,725	1,862,505	1,987,731	2,139,530
184,452	177,632	176,558	172,804	162,355	161,021
56,469	55,736	52,478	54,694	57,011	57,623
1,948,215	1,771,745	1,653,880	1,612,675	1,765,945	1,777,207
615,365	643,733	656,534	662,791	708,168	763,051
327,913	233,698	238,069	30,369	173,212	304,826
358,134	337,602	912,698	237,202	867,571	509,088
951,914	969,663	954,751	935,707	951,553	1,040,510
<u>19,186,605</u>	<u>18,520,713</u>	<u>18,617,419</u>	<u>17,808,460</u>	<u>19,276,730</u>	<u>19,792,676</u>
378,523	243,990	232,979	68,412	199,643	239,449
(951,914)	(969,663)	(954,751)	(935,707)	(951,553)	(1,040,510)
(573,391)	(725,673)	(721,772)	(867,295)	(751,910)	(801,061)
<u>\$ 18,613,214</u>	<u>\$ 17,795,040</u>	<u>\$ 17,895,647</u>	<u>\$ 16,941,165</u>	<u>\$ 18,524,820</u>	<u>\$ 18,991,615</u>
\$ 1,990,808	\$ 1,666,409	\$ 204,215	\$ (123,935)	\$ 535,608	\$ 449,367
810,875	2,019,070	4,643,733	3,867,774	8,008,177	11,669,382
<u>\$ 2,801,683</u>	<u>\$ 3,685,479</u>	<u>\$ 4,847,948</u>	<u>\$ 3,743,839</u>	<u>\$ 8,543,785</u>	<u>\$ 12,118,749</u>

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

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable	\$ 312,247	\$ 239,803	\$ 185,661	\$ 149,243
Restricted	270,627	361,733	381,188	356,340
Committed	1,355,101	1,520,576	1,677,318	2,127,263
Assigned	2,694,930	2,730,464	2,862,314	3,355,153
Unassigned	7,404,702	8,549,150	8,716,138	9,203,929
Total general fund	<u>\$ 12,037,607</u>	<u>\$ 13,401,726</u>	<u>\$ 13,822,619</u>	<u>\$ 15,191,928</u>
All Other Governmental Funds				
Nonspendable	\$ 4,251,035	\$ 4,051,515	\$ 3,950,809	\$ 3,719,168
Restricted	6,939,209	7,396,053	7,879,659	8,836,197
Committed	388,258	409,897	420,921	429,830
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 11,578,502</u>	<u>\$ 11,857,465</u>	<u>\$ 12,251,389</u>	<u>\$ 12,985,195</u>
Total Fund Balance All Governmental Funds	<u>\$ 23,616,109</u>	<u>\$ 25,259,191</u>	<u>\$ 26,074,008</u>	<u>\$ 28,177,123</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 330,533	\$ 357,162	\$ 370,883	\$ 378,222	\$ 346,049	\$ 347,936
282,319	272,255	235,644	251,147	264,696	254,281
2,029,862	2,235,030	2,383,557	2,095,903	2,626,978	2,761,515
2,852,355	4,033,690	4,041,932	4,816,784	4,666,200	3,502,247
10,935,000	10,410,510	10,559,574	9,178,148	8,872,797	8,820,443
<u>\$ 16,430,069</u>	<u>\$ 17,308,647</u>	<u>\$ 17,591,590</u>	<u>\$ 16,720,204</u>	<u>\$ 16,776,720</u>	<u>\$ 15,686,422</u>
\$ 3,557,169	\$ 3,368,659	\$ 4,203,228	\$ 3,042,589	\$ 2,871,358	\$ 2,694,108
9,114,170	8,868,090	8,033,543	8,712,030	9,095,312	7,471,368
433,995	435,298	428,968	431,557	432,353	434,017
(57,157)	(40,926)	(37,325)	(29,340)	(22,406)	-
<u>\$ 13,048,177</u>	<u>\$ 12,631,121</u>	<u>\$ 12,628,414</u>	<u>\$ 12,156,836</u>	<u>\$ 12,376,617</u>	<u>\$ 10,599,493</u>
<u>\$ 29,478,246</u>	<u>\$ 29,939,768</u>	<u>\$ 30,220,004</u>	<u>\$ 28,877,040</u>	<u>\$ 29,153,337</u>	<u>\$ 26,285,915</u>

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

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 14,357,916	\$ 15,604,729	\$ 13,854,676 *	\$ 13,806,061
Licenses, permits and fees	677,692	505,650	1,905,382 *	1,991,985
Intergovernmental	3,107,244	2,941,096	3,511,257	3,057,455
Charges for services	1,755,119	1,834,350	2,205,261	2,068,616
Fines and forfeitures	351,550	202,380	193,758	164,884
Other	2,364,230	2,690,992	1,896,972	2,192,940
Total Revenues	22,613,751	23,779,197	23,567,306	23,281,941
Expenditures				
General government	2,802,646	3,160,898	3,361,843	3,000,035
Public safety	9,484,503	10,255,261	10,744,731	10,337,416
Physical environment	1,110,608	1,108,261	1,125,401	1,016,145
Transportation	1,024,192	1,141,638	1,109,561	1,088,535
Economic environment	109,447	190,107	84,407	145,895
Culture & recreation	3,350,166	3,566,247	3,685,949	3,569,756
Capital outlay	1,559,163	3,397,847	2,736,735	2,255,395
Debt service				
Interest	76,106	56,104	58,389	30,326
Principal	735,997	652,793	758,373	662,523
Total expenditures	20,252,828	23,529,156	23,665,389	22,106,026
Excess of revenues over (under) expenditures	2,360,923	250,041	(98,083)	1,175,915
Other Financing Sources (Uses)				
Land sale	-	-	-	-
Issuance of debt	363,261	553,141	-	-
Transfers in	1,373,046	1,351,900	1,443,189	1,378,625
Transfers out	(567,805)	(512,000)	(530,289)	(451,425)
Total other financing sources (uses)	1,168,502	1,393,041	912,900	927,200
Net change in fund balances	\$ 3,529,425	\$ 1,643,082	\$ 814,817	\$ 2,103,115
Debt service as a percentage of noncapital expenditures	4.3%	3.5%	3.9%	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					
2010	2011	2012	2013	2014	2015
\$ 13,563,670	\$ 13,153,081	\$ 12,790,682	\$ 12,867,116	\$ 13,246,078	\$ 13,738,296
2,310,578	2,447,907	1,961,249	2,346,719	2,769,747	2,368,714
3,561,195	3,381,804	2,650,694	3,408,688	2,880,488	2,872,827
2,018,521	1,881,376	1,967,159	2,179,396	2,174,865	2,624,418
258,964	266,300	233,909	211,463	160,649	128,387
<u>1,266,746</u>	<u>1,214,601</u>	<u>1,772,274</u>	<u>873,106</u>	<u>1,205,617</u>	<u>1,659,084</u>
<u>22,979,674</u>	<u>22,345,069</u>	<u>21,375,967</u>	<u>21,886,488</u>	<u>22,437,444</u>	<u>23,391,726</u>
2,952,196	2,852,948	2,563,972	2,644,069	2,788,106	2,970,399
10,561,114	10,590,580	10,883,704	11,401,751	11,882,838	12,528,332
1,053,644	1,067,678	1,147,784	1,075,278	1,047,300	875,078
1,027,465	1,002,303	994,527	1,039,533	1,126,516	1,046,882
323,588	192,154	199,870	276,719	253,750	245,914
3,495,903	3,431,376	3,476,283	3,449,764	3,527,733	3,542,855
3,430,771	3,727,826	2,634,800	4,344,599	3,381,973	6,090,198
27,317	16,841	12,542	8,114	3,526	-
425,467	132,000	137,000	141,000	146,000	-
<u>23,297,465</u>	<u>23,013,706</u>	<u>22,050,482</u>	<u>24,380,827</u>	<u>24,157,742</u>	<u>27,299,658</u>
(317,791)	(668,637)	(674,515)	(2,494,339)	(1,720,298)	(3,907,932)
-	-	-	-	802,669	-
667,000	-	-	-	-	-
1,258,587	1,419,663	1,450,979	1,568,129	1,554,926	1,402,510
<u>(306,673)</u>	<u>(450,000)</u>	<u>(496,228)</u>	<u>(416,754)</u>	<u>(361,000)</u>	<u>(362,000)</u>
<u>1,618,914</u>	<u>969,663</u>	<u>954,751</u>	<u>1,151,375</u>	<u>1,996,595</u>	<u>1,040,510</u>
<u>\$ 1,301,123</u>	<u>\$ 301,026</u>	<u>\$ 280,236</u>	<u>\$ (1,342,964)</u>	<u>\$ 276,297</u>	<u>\$ (2,867,422)</u>
2.3%	0.8%	0.8%	0.7%	0.7%	0.0%

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 & Use Tax</u>	<u>Total</u>
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
2014	6,972,982	1,765,945	A 2,796,901	1,024,720	162,355	A 2,289,120	15,012,023
2015	7,378,995	1,777,207	A 2,778,970	967,373	161,021	A 2,451,937	15,515,503
Change 2006 - 2015	4.1%	1.8%	28.5%	-21.8%	100.0%	15.3%	8.1%

- 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.

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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
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
2014	1,268,130,129	268,766,883	52,755,583	211,147,924	1,800,800,519	547,856,726	1,252,943,793
2015	1,334,111,444	284,024,094	53,657,954	220,000,659	1,891,794,151	559,583,542	1,332,210,609
Change 2006 - 2015	-16%	23%	-2%	1%	-9%	-17%	-5%

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 Rate	Tax-Exempt as a Percentage of Total Assessed
Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value		
\$ 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	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%
76,678,205	13,635,441	63,042,764	1,877,478,724	561,492,167	1,315,986,557	5.4500	29.91%
81,290,925	13,587,262	67,703,663	1,973,085,076	573,170,804	1,399,914,272	5.4500	29.05%
4%	238%	-9%	-9%	-16%	-5%	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
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
2014	189,015,469	48,492,779	160,787,995	127,159,944	C 9,794,976	B -	12,605,563	547,856,726
2015	198,182,189	51,512,295	158,339,314	127,280,588	C 9,585,445	B -	14,683,711	559,583,542

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	
		Tangible	Other	Total	Total	
Governmental	Institutional	Personal	Exemptions (A)	Exemptions	Exemptions	
		Property				
\$ 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	
143,560	4,760,580	8,710,802 D	20,499	13,635,441	561,492,167	
383,168	4,372,801	8,811,471 D	19,822	13,587,262	573,170,804	

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)	
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
2014	5.4500	8.0600	5.3377	.7305	.9158	1.2959	21.7899
2015	5.4500	7.8410	5.3377	.7305	.9158	1.2799	21.5549

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

B) County includes:

General Fund	5.2755
Mosquito Control	0.0000
Health Department	0.0622
	<u>5.3377</u>

C) Other includes:

Pinellas County Planning Council	0.0160
Juvenile Welfare Board	0.8981
SW Florida Water Mgt. District	0.3658
	<u>1.2799</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	2015			2006		
	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	\$ 18,050,000	1	1.29%	\$ 9,550,000	2	0.65%
Shamrock Millco - Sun Valley LLC	12,900,000	2	0.92%	7,450,000	4	0.50%
Riverside Partners LTD	11,514,000	3	0.82%	10,700,000	1	0.72%
DDR Tarpon Square LLC	9,426,000	4	0.67%	6,100,000	6	0.41%
CRP/CRE Meadows Owner LLC	8,619,600	5	0.62%	-	-	-
Wal-Mart Stores East LP	6,600,000	6	0.47%	-	-	-
River Site LLC -St Lukes Clinic	6,346,426	7	0.45%	7,850,000	3	0.53%
C R P II- Tarpon Springs LLC	6,223,891	8	0.44%	-	-	-
Turtle Cove Group LLC	5,862,399	9	0.42%	-	-	-
Ryland Group INC	5,654,735	10	0.40%	-	-	-
City of Tarpon Springs	-	-	-	6,308,300	5	0.43%
Storage Trust Properties	-	-	-	5,725,000	7	0.39%
Peterson, Marilyn H TRE	-	-	-	5,450,000	8	0.37%
Wal-Mart Stores East LP	-	-	-	5,206,200	9	0.35%
Lime Street Properties	-	-	-	5,200,000	10	0.35%
TOTAL	\$ 91,197,051		6.50%	\$ 69,539,500		4.70%

A) Percentages are based on the total assessed value of \$ 1,399,914,272.

B) Percentages are based on the total assessed value of \$ 1,479,586,489.

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	2015			2006		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (A)	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
Duke Energy (Florida Power Corp)	\$ 17,700,899	1	1.26%	\$ 13,612,600	1	0.92%
Verizon Florida LLC "C"	7,386,702	2	0.53%	9,248,430	2	0.63%
Hertz Equip Rental Corp	3,215,981	3	0.23%	2,463,150	4	0.17%
Bright House Networks LLC	3,106,210	4	0.22%	2,251,960	5	0.15%
Wal-Mart Stores East LP	2,605,400	5	0.19%	-	-	-
St Lukes Cataract & Laser Inst. Inc	2,138,168	6	0.15%	3,460,490	3	0.23%
Barnett Outdoors LLC	1,829,246	7	0.13%	-	-	-
T-Mobile South LLC	1,547,681	8	0.11%	-	-	-
Magnegas Corporation	1,384,056	9	0.10%	-	-	-
Sweetbay Supermarket	1,150,542	10	0.08%	-	-	-
General Electric Credit	-	-	-	2,136,020	6	0.14%
Publix Supermarket #144	-	-	-	1,994,770	7	0.13%
Stamas Yacht Inc	-	-	-	843,630	8	0.06%
St Lukes Surgical Center I	-	-	-	780,230	9	0.05%
Cingular Wireless LLC	-	-	-	779,000	10	0.05%
TOTAL	\$ 42,064,885		3.00%	\$ 37,570,280		2.53%

A) Percentages are based on the total assessed value of \$ 1,399,914,272.

B) Percentages are based on the total assessed value of \$ 1,479,586,489.

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
2006	\$ 7,312,116	\$ 7,070,516	96.70%	\$ 18,095	\$ 7,088,611	96.94%
2007	8,600,391	8,326,486	96.82%	21,186	8,347,672	97.06%
2008	8,354,513	8,049,598	96.35%	31,179	8,080,777	96.72%
2009	8,253,433	7,953,461	96.37%	45,941	7,999,402	96.92%
2010	7,837,632	7,591,358	96.86%	64,207	7,655,565	97.68%
2011	7,601,697	7,355,168	96.76%	41,767	7,396,935	97.31%
2012	7,241,470	6,992,075	96.56%	31,413	7,023,488	96.99%
2013	7,075,982	6,823,866	96.44%	32,685	6,856,551	96.90%
2014	7,172,129	6,921,677	96.51%	11,540	6,933,217	96.67%
2015	7,629,535	7,365,640	96.54%	11,781	7,377,421	96.70%

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			
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	-	36,255,249	6,741,900	-	43,143,149	3.79%	1,802.51
2014	-	-	36,238,777	11,197,727	-	47,436,504	4.30%	1,958.57
2015	-	-	35,432,306	-	-	35,432,306	3.16%	1,450.89

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>				
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
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-

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

A) See Schedule 6 for property value data.

B) See Schedule 15 for population data.

City of Tarpon Springs, Florida
Schedule 12
Direct and Overlapping Governmental Activities Debt,
As of September 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (A)</u>	<u>Estimated Share of Overlapping Debt</u>
Pinellas County Bonds	\$ 11,558,515	2.35%	\$ 271,625
Pinellas County Capital Leases	40,872	2.35%	960
Pinellas County School District State Bonds	14,884,000	2.35%	349,774
Pinellas County School District Capital Leases	971,601	2.35%	22,833
Subtotal, overlapping debt			<u>645,192</u>
City direct debt	-	100.00%	-
Total direct and overlapping debt			<u>\$ 645,192</u>

A) Applicable net debt percentage is based on ratio of City to County taxable values (\$1,399,914,272/\$59,650,849,843).

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

	Fiscal Year			
	2006	2007	2008	2009
Debt Limit (B)	\$ 1,479,586,489	\$ 1,793,354,693	\$ 1,938,896,972	\$ 1,804,502,437
Total net debt applicable to limit (C)	<u>1,835,015</u>	<u>1,735,363</u>	<u>976,990</u>	<u>314,467</u>
Legal debt margin (B)	\$ 1,477,751,474	\$ 1,791,619,330	\$ 1,937,919,982	\$ 1,804,187,970
Total net debt applicable to the limit as a percentage of debt limit	0.12%	0.10%	0.05%	0.02%

- 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 2015

Assessed value (A)	1,399,914,272
Debt limit (100% of total assessed value) (B)	<u>1,399,914,272</u>
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	-
Capital leases	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>1,399,914,272</u></u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 1,583,360,048	\$ 1,394,806,436	\$ 1,328,709,893	\$ 1,298,345,335	\$ 1,315,986,557	\$ 1,399,914,272
<u>556,000</u>	<u>424,000</u>	<u>287,000</u>	<u>146,000</u>	<u>-</u>	<u>-</u>
\$ 1,582,804,048	\$ 1,394,382,436	\$ 1,328,422,893	\$ 1,298,199,335	\$ 1,315,986,557	\$ 1,399,914,272
0.04%	0.03%	0.02%	0.01%	0.00%	0.00%

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

Water and Sewer Revenue Bonds								
Fiscal Year	Gross Revenues	A	Less: Operating Expenses (B)	Net Available Revenue	Debt Service		Total	Coverage
					Principal	Interest		
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
2014	13,327,366	C	8,823,343	4,504,023	-	873,784	873,784	5.15
2015	13,858,647	C	9,403,297	4,455,350	-	1,306,356	1,306,356	3.41
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>
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	5,756	8.5%
2014	24,220	1,103,802	45,574	47.7	6,596	6.7%
2015	24,421	1,121,534	45,925	47.5	6,597	6.3%

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	2015		2006	
	Employees Full-Time	Rank	Employees Full-Time	Rank
Raymond James Financial	3,500	1	3,022	3
Home Shopping Club	2,800	2	4,000	1
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
TOTAL	18,500		25,196	

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>										
General government	30.00	34.10	33.10	29.40	30.40	29.80	28.80	29.80	29.80	29.80
Public safety	110.00	112.00	114.00	109.00	109.00	107.00	105.00	106.00	106.00	106.00
Physical environment	15.00	16.00	16.00	16.00	15.00	15.20	15.20	14.20	13.20	12.45
Transportation	10.20	12.10	12.10	11.10	11.10	10.30	10.30	9.30	9.30	8.40
Economic Environment	1.00	1.00	1.00	2.20	2.20	2.20	2.20	2.20	2.85	2.85
Culture/recreation	46.00	47.00	46.00	42.00	38.00	38.00	37.00	37.00	36.45	38.40
Water/Sewer	60.00	61.00	61.00	61.50	61.50	58.55	58.55	59.55	59.55	60.27
Sanitation	5.30	4.30	4.30	4.30	6.30	7.60	7.60	7.60	7.60	8.40
Stormwater	7.45	7.45	7.45	7.45	7.45	7.25	8.25	8.25	8.25	8.43
Golf Course	6.00	6.00	6.00	6.00	5.00	4.00	4.00	4.00	4.00	5.00
Marina	0.05	0.05	0.05	0.05	0.05	0.10	0.10	0.10	1.00	1.00
Total	291.00	301.00	301.00	289.00	286.00	280.00	277.00	278.00	278.00	281.00

Source: City Budget documents.

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police										
Arrests	1,292	1,317	1,341	1,100	1,424	990	942	1,007	1,008	1,008
Parking violations	535	629	340	286	424	553	227	623	341	217
Citations	3,678	3,865	3,243	2,366	4,919	3,635	3,004	3,184	2,570	1,981
Fire/EMS										
Fire calls	80	76	69	60	64	65	71	55	45	68
EMS calls	3,137	3,029	2,708	2,031	1,965	2,766	2,672	3,291	3,377	3,518
False alarms	281	209	169	127	148	185	151	141	195	199
Culture/recreation										
Community center attendance	18,036	16,210	13,625	15,246	14,395	14,316	12,767	13,607	13,211	13,695
Leagues	5	8	8	8	10	10	11	13	12	9
Library-circulation	252,394	235,570	254,854	288,481	286,672	290,703	303,567	287,679	287,558	287,797
Library-materials	98,185	109,561	122,064	130,230	119,160	106,762	110,582	101,285	100,734	92,341
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	3,245	3,067	2,913	2,830	2,609	2,644	2,679	2,707	2,602	2,513
Sewer										
Annual average daily flow (thousands of gallons)	1,992	1,991	2,083	1,950	1,932	1,874	2,115	2,030	1,870	1,950
Golf Course										
Rounds of golf played	66,187	66,563	62,011	60,004	55,136	55,104	56,984	58,535 *	40,320	48,091

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

Source: City Departments

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	92.4	92.8	92.8	92.8	92.8	93.0	93.0	95.5	95.5
Streets unpaved	1.2	1.2	1.2	1.2	1.2	1.2	1.0	1.0	1.0	1.0
Culture/recreation										
Parks acreage	430.39	430.39	430.39	430.39	430.39	430.39	430.39	431.39	435.56	435.56
Playgrounds	15	15	15	16	16	18	18	18	18	18
Baseball/softball fields	10	11	11	11	11	11	11	11	11	11
Soccer/football fields	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Recreation centers	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water/Sewer										
Water mains/miles	160	160	160	160	160	160	160	160	160	146
Sanitary sewer mains/miles	72.0	72.0	72.0	72.0	72.0	72.0	84.0	84.0	84.0	88.8
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

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REPORTS OF INDEPENDENT AUDITORS



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of the City of Tarpon Springs, Florida (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statement, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2016.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Pursuant to the provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the City in a separate management letter and Independent Accountant's Report dated March 30, 2016.

Purpose of this Report

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

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016



MOORE STEPHENS
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on Financial Statements

We have audited the financial statements of the City of Tarpon Springs, Florida (the "City") as of and for the year ended September 30, 2015, and have issued our report thereon dated March 30, 2016.

Auditor's Responsibility

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

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 30, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition

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

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

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

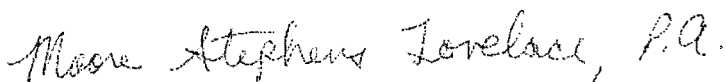
Other Matters

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

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

Purpose of this Letter

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



MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016



**MOORE STEPHENS
LOVELACE, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Tarpon Springs, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 30, 2016

APPENDIX A
CITY OF TARPON SPRINGS, FLORIDA
Current Year Observations, Recommendations and Management Responses
For the Year Ended September 30, 2015

MLO 2015-001 – Information Technology Assessment

Observation:

During our audit of the City's financial statements, we performed an assessment of the City's Information Technology ("IT") operations and controls. During this assessment, we noted several areas which could improve the City's IT processes. The following areas for improvement noted during our assessment are provided here for your consideration: remote access, PEN testing, backup and recovery, disaster recovery, and business continuity policies. Specific details of these observations are not disclosed in this report to avoid the possibility of compromising City information. However, appropriate City personnel have been notified of our specific findings.

Criteria:

To ensure proper financial accounting and reporting, security of financial information, as well as operational effectiveness, appropriate IT controls should be implemented, maintained, and updated, as necessary, to keep pace with the constantly changing technology environment.

Recommendation:

We recommend that the City evaluate the IT issues noted above and implement cost-effective procedures to ensure the continued security of the City's IT environment.

Management Response:

We have received a copy of the security audit performed by MSL Technologies for the annual financial audit of the City of Tarpon Springs. We are in the process of fully evaluating the report and will develop a plan to address those issues in the report where feasible, based on financial, personnel, and other resource availability.

