

*City of Tarpon Springs,  
Florida*

*Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2018*

***CITY OF TARPON SPRINGS, FLORIDA***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***For the Fiscal Year Ended September 30, 2018***

***MAYOR AND BOARD OF COMMISSIONERS***

***Chrisostomo Alahouzos, Mayor***

***David Banther, Vice-Mayor***

***Rea Sieber, Commissioner***

***Susan Miccio-Kikta, Commissioner***

***Jacob Karr, Commissioner***

***ADMINISTRATION***

***Mark G. LeCouris, City Manager***

***Ron Harring, Finance Director***

***Michelle Mims, Assistant Finance Director***

***Irene S. Jacobs, City Clerk***

***Thomas Trask, City Attorney***

**CITY OF TARPON SPRINGS, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

<b>Letter of Transmittal</b> . . . . .	A-1
<b>Certificate of Achievement for Excellence in Financial Reporting</b> . . . . .	A-6
<b>Organizational Chart</b> . . . . .	A-7

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b> . . . . .	B-1
<b>Management's Discussion and Analysis</b> . . . . .	B-3
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position . . . . .	B-16
Statement of Activities . . . . .	B-17
Fund Financial Statements:	
Balance Sheet - Governmental Funds . . . . .	B-18
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds . . . . .	B-19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds . . . . .	B-20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . .	B-21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund . . . . .	B-22
Community Redevelopment Agency Fund - Downtown . . . . .	B-23
Statement of Net Position - Proprietary Funds . . . . .	B-24
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds . . . . .	B-25
Statement of Cash Flows - Proprietary Funds . . . . .	B-26
Statement of Fiduciary Net Position - Fiduciary Funds . . . . .	B-28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds . . . . .	B-29
Notes to the Financial Statements . . . . .	B-30

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-90 of this report.

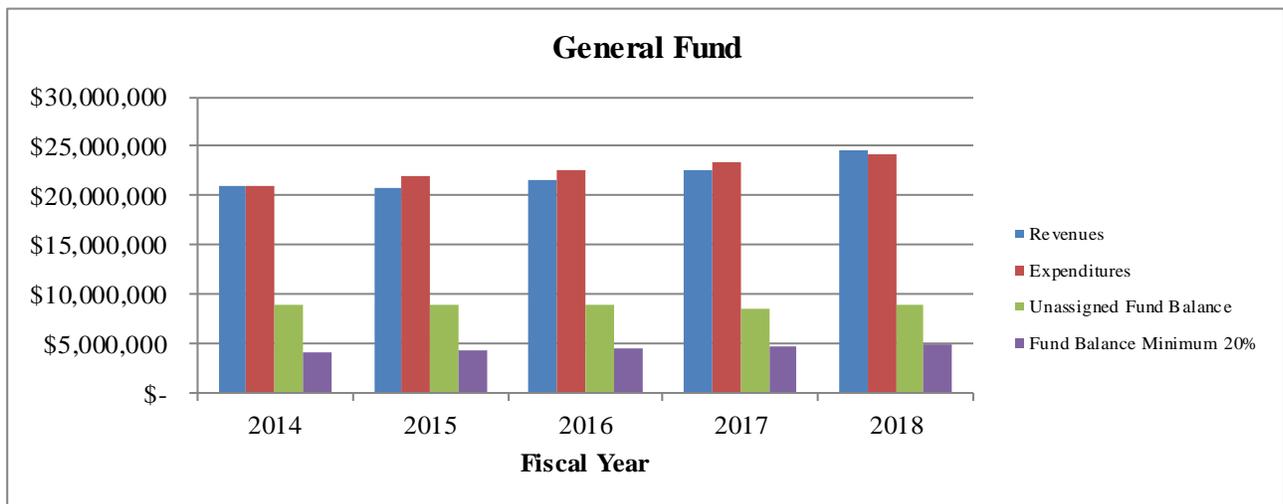
The combining and individual fund statements and schedules section referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds are presented immediately

Revenues including Transfers In totaled \$24,515,069, an increase of \$2,024,131 over the previous fiscal year. The major changes were:

<u>Revenue Type</u>	<u>Increase</u>	<u>Description</u>
Property Taxes	\$ 608,374	Taxable Assessed Value increase of 7.68%
Utility Tax Electric	\$ 66,816	Utility rate increase and new accounts
Franchise Fee Electric	\$ 106,750	Utility rate increase and new accounts
Communication Service Tax	\$ 18,192	Improved economy increase in sales tax
Half Cent Sales Tax	\$ 57,280	Improved economy increase in sales tax
State Revenue Sharing	\$ 28,526	Improved economy increase in sales tax
Building Permits	\$ 69,246	Improved economy construction increase
Code Enforcement Fines	\$ 168,051	Four larger fines during FY 2018
Tree Bank	\$ 135,581	Three larger receipts during FY 2018
School Resource Officer	\$ 90,650	Increased funding for new positions for school safety
Interfund Transfers	\$ 162,718	Administrative cost increase from Enterprise Funds to 6%
Hurricane Irma Reimbursement	\$ 313,022	Emergency Preparedness Reimbursement-Hurricane Irma
<b>Total</b>	<b>\$ 1,825,206</b>	

Expenditures including Transfers Out totaled \$24,136,067, an increase of \$700,795 over the previous fiscal year. The major increases were for personnel increases related to salaries and benefits.

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



#### Community Redevelopment Agency Fund.

The fund balance of the City's Community Redevelopment Agency Fund decreased by \$608,350 during the current fiscal year. Key factors in this change are as follows:

- Revenues were \$569,840 an increase of \$160,803 over the previous fiscal year. Property Tax receipts (City portion) increased \$17,635 and Tax Increment Financing receipts (County portion) increased \$18,309 (due to increasing property values), the City also sold the old fire station for \$133,152.
- Expenditures were \$1,178,190, an increase of \$911,260 over the previous fiscal year. The majority of the increase is due to the purchase of the former Sunbay Motel for \$875,672 in FY 2018.

#### Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund increased by \$37,751 during the current fiscal year. Key factors in this change are as follows:

# ***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  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 345,730	\$ 1,026,283	\$ 3,350,632	\$ 4,722,645
Investments	12,740,490	263,487	2,215,945	2,176,355	17,396,277
Interest receivable	12,500	-	3,125	-	15,625
Accounts receivable - net of allowance for doubtful accounts	73,501	-	-	-	73,501
Loan receivable	200,000	-	-	-	200,000
Taxes receivable	499,194	-	-	-	499,194
Due from other funds (deficit in pooled cash)	982,404	-	-	-	982,404
Due from other governments	591,685	-	637,250	124,540	1,353,475
Advance to other fund	-	-	126,055	-	126,055
Prepaid items	180,997	913	-	2,535	184,445
<b>Total Assets</b>	<b>\$ 15,280,771</b>	<b>\$ 610,130</b>	<b>\$ 4,008,658</b>	<b>\$ 5,654,062</b>	<b>\$ 25,553,621</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 360,804	\$ 10,124	\$ 144,372	\$ 288,893	\$ 804,193
Accrued liabilities	42,131	606	-	2,212	44,949
Contracts payable	-	-	53,839	-	53,839
Deposits	14,593	-	-	411,054	425,647
Advance from other fund	252,177	476,055	-	301,599	1,029,831
Unearned revenue	331,462	-	-	-	331,462
<b>Total Liabilities</b>	<b>1,001,167</b>	<b>486,785</b>	<b>198,211</b>	<b>1,003,758</b>	<b>2,689,921</b>
<b>Deferred Inflows of Resources:</b>					
Local business tax-future year	100,590	-	-	-	100,590
Mausoleum revenue-future year	663	-	-	-	663
<b>Total Deferred Inflows of Resources</b>	<b>101,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,253</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	180,997	913	-	2,535	184,445
Advance to other fund	-	-	-	-	-
Loan receivable	200,000	-	-	-	200,000
Street and sidewalk per Charter, nonexpendable	-	-	-	2,000,000	2,000,000
<b>Restricted for:</b>					
Donations received	196,224	-	-	-	196,224
Hospital ER	48,766	-	-	-	48,766
Capital projects - impact fee programs	-	-	-	1,137,729	1,137,729
CRA	-	122,432	-	-	122,432
Capital projects - optional sales tax	-	-	3,810,447	-	3,810,447
Transportation	-	-	-	538,578	538,578
Law enforcement programs	-	-	-	258,475	258,475
Grant programs	-	-	-	8,696	8,696
Public art program	-	-	-	297,406	297,406
Land preservation	-	-	-	61,728	61,728
Physical environment	-	-	-	87,362	87,362
<b>Committed to:</b>					
Cemetery	2,005,852	-	-	-	2,005,852
Tree bank	544,521	-	-	-	544,521
Right of way	148,424	-	-	-	148,424
Employee benefit cost deferral	-	-	-	257,795	257,795
<b>Assigned to:</b>					
Compensated absences	1,304,083	-	-	-	1,304,083
Disaster reserve	50,000	-	-	-	50,000
Subsequent years expenditures	111,376	-	-	-	111,376
Insurance/Other	238,587	-	-	-	238,587
Library	61,331	-	-	-	61,331
Other contractual obligations	253,242	-	-	-	253,242
Unassigned:	8,834,948	-	-	-	8,834,948
<b>Total Fund Balances</b>	<b>14,178,351</b>	<b>123,345</b>	<b>3,810,447</b>	<b>4,650,304</b>	<b>22,762,447</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,280,771</b>	<b>\$ 610,130</b>	<b>\$ 4,008,658</b>	<b>\$ 5,654,062</b>	<b>\$ 25,553,621</b>

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

**CITY OF TARPON SPRINGS, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Fund	Community Redevelopment Agency Downtown	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 12,823,045	\$ 205,761	\$ 2,450,847	\$ 333,801	\$ 15,813,454
Permits and fees	2,403,248	-	-	690,902	3,094,150
Intergovernmental	3,205,706	203,895	-	293,982	3,703,583
Charges for services	3,062,722	-	62,522	243	3,125,487
Fines and forfeitures	247,770	-	-	17,588	265,358
Other	1,071,321	160,184	26,527	103,301	1,361,333
<b>Total Revenues</b>	<b>22,813,812</b>	<b>569,840</b>	<b>2,539,896</b>	<b>1,439,817</b>	<b>27,363,365</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>General Government:</b>					
Board of commissioners	154,896	-	-	-	154,896
City manager	308,029	-	-	-	308,029
Financial administration	456,321	-	-	-	456,321
Human resources	222,446	-	-	-	222,446
Purchasing	240,105	-	-	-	240,105
Management information services	490,070	-	-	-	490,070
City attorney	272,064	-	-	-	272,064
Planning	346,701	-	-	-	346,701
City clerk	322,759	-	-	-	322,759
Projection administration	95,664	-	-	-	95,664
Non-departmental	586,884	-	-	-	586,884
	<u>3,495,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,495,939</u>
<b>Public Safety:</b>					
Police	7,702,888	-	-	41,114	7,744,002
Fire/ems/emergency management	5,124,106	-	-	295,539	5,419,645
Protective inspections	760,501	-	-	-	760,501
	<u>13,587,495</u>	<u>-</u>	<u>-</u>	<u>336,653</u>	<u>13,924,148</u>
<b>Physical Environment:</b>					
City buildings/grounds	705,959	-	-	-	705,959
Cemetery	294,573	-	-	-	294,573
Other	45,214	-	-	3,460	48,674
	<u>1,045,746</u>	<u>-</u>	<u>-</u>	<u>3,460</u>	<u>1,049,206</u>
<b>Transportation:</b>					
Roads and streets	1,104,129	-	-	-	1,104,129
	<u>1,104,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,104,129</u>
<b>Economic Environment:</b>					
Other	126,103	299,168	-	-	425,271
	<u>126,103</u>	<u>299,168</u>	<u>-</u>	<u>-</u>	<u>425,271</u>
<b>Culture and Recreation:</b>					
Library	1,289,343	-	-	-	1,289,343
Parks and recreation	1,698,566	-	-	-	1,698,566
Cultural	949,201	-	-	-	949,201
Other	-	-	-	22,869	22,869
	<u>3,937,110</u>	<u>-</u>	<u>-</u>	<u>22,869</u>	<u>3,959,979</u>
Capital Outlay	743,546	879,022	2,502,145	815,784	4,940,497
<b>Total Expenditures</b>	<b>24,040,068</b>	<b>1,178,190</b>	<b>2,502,145</b>	<b>1,178,766</b>	<b>28,899,169</b>
Excess of Revenues Over (Under) Expenditures	<u>(1,226,256)</u>	<u>(608,350)</u>	<u>37,751</u>	<u>261,051</u>	<u>(1,535,804)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,701,257	-	-	276,927	1,978,184
Transfers out	(95,999)	-	-	(466,123)	(562,122)
<b>Total Other Financing Sources (Uses)</b>	<b>1,605,258</b>	<b>-</b>	<b>-</b>	<b>(189,196)</b>	<b>1,416,062</b>
<b>Net Change in Fund Balances</b>	<b>379,002</b>	<b>(608,350)</b>	<b>37,751</b>	<b>71,855</b>	<b>(119,742)</b>
<b>Fund Balances - Beginning of Year</b>	<b>13,799,349</b>	<b>731,695</b>	<b>3,772,696</b>	<b>4,578,449</b>	<b>22,882,189</b>
<b>Fund Balances - End of Year</b>	<b>\$ 14,178,351</b>	<b>\$ 123,345</b>	<b>\$ 3,810,447</b>	<b>\$ 4,650,304</b>	<b>\$ 22,762,447</b>

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 206,231	\$ 206,231	\$ 205,761	\$ (470)
Intergovernmental	203,548	203,548	203,895	347
Other	22,878	22,878	160,184	137,306
Total Revenues	<u>432,657</u>	<u>432,657</u>	<u>569,840</u>	<u>137,183</u>
Expenditures:				
Current:				
Economic Environment:				
Other	237,627	368,162	299,168	68,994
Capital Outlay	195,030	1,018,467	879,022	139,445
Total Expenditures	<u>432,657</u>	<u>1,386,629</u>	<u>1,178,190</u>	<u>208,439</u>
Other Financing Sources:				
Issuance of debt	-	350,000	-	(350,000)
Total Other Financing Sources	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
Net Change in Fund Balances	-	(603,972)	(608,350)	(4,378)
Fund Balances - Beginning of Year	<u>731,695</u>	<u>731,695</u>	<u>731,695</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 731,695</u>	<u>\$ 127,723</u>	<u>\$ 123,345</u>	<u>\$ (4,378)</u>

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

---

#### 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, 2018

---

#### 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, 2018, are available from TSHA.

#### **B. Basic Financial Statements**

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

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

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

Notes to the Financial Statements  
September 30, 2018

---

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

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

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

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

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

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

## City of Tarpon Springs, Florida

### Notes to the Financial Statements September 30, 2018

---

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**

**Notes to the Financial Statements  
September 30, 2018**

---

The amounts of the reclassified balances at September 30, 2018 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 982,404	\$ -
Enterprise Fund:		
Golf Course	-	982,404
Total	<u>\$ 982,404</u>	<u>\$ 982,404</u>

Advances to / from other funds:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 252,177
Capital Project Fund:		
Optional Sales Tax	126,055	-
Special Revenue Fund:		
CRA	-	476,055
Impact Fees	-	301,599
Enterprise Fund:		
Sanitation	511,163	-
Water-Sewer	350,000	
Golf Course	-	209,564
Internal Service Fund:		
Risk Management	252,177	-
Total	<u>\$ 1,239,395</u>	<u>\$ 1,239,395</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 \$195,030 in Fiscal Year 2018. 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, 2018, the unpaid advance was \$126,055, which is included in the total advances of \$1,239,395 in the City's financial statements.

**City of Tarpon Springs, Florida**

**Notes to the Financial Statements  
September 30, 2018**

---

<u>Due Date</u>	<u>Amount Due</u>
September 30, 2019	<u>\$ 126,055</u>
	<u>\$ 126,055</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 \$37,741 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid from golf course capital improvement program (CIP) fees as they are collected. At September 30, 2018, the unpaid advance was \$209,564, which is included in the total advances of \$1,239,395 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 \$93,709 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid by the annual energy savings as they are collected. At September 30, 2018, the unpaid advance was \$252,177, which is included in the total advances of \$1,239,395 in the City's financial statements.

In Fiscal Year 2017, the sanitation fund advanced funds to the fire impact fund in the amount of \$500,000 for the purpose of providing the balance of monies required for the construction of fire station 71. This advance was decreased with a reimbursement of \$159,209 in Fiscal Year 2018. This noninterest-bearing advance is to be repaid by fire impact fees as they are collected. At September 30, 2018, the unpaid advance was \$301,599, which is included in the total advances of \$1,239,395 in the City's financial statements.

In Fiscal Year 2018, the water-sewer fund advanced funds to the community redevelopment agency CRA fund in the amount of \$350,000 for the purpose of providing the balance of monies required for the purchase of the Sunbay Motel property. This noninterest-bearing advance is to be repaid from CRA property tax receipts as they are collected. At September 30, 2018, the unpaid advance was \$350,000, which is included in the total advances of \$1,239,395 in the City's financial statements.